UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1996
or
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ____________

COMMISSION FILE NUMBER 1-1204

AMERADA HESS CORPORATION

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)
13-4921002
(I.R.S. Employer Identification Number)

1185 AVENUE OF THE AMERICAS, NEW YORK, N.Y. 10036
(Address of principal executive offices) (Zip code)

(Registrant's telephone number, including area code, is (212) 997-8500)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock (par value $1.00)	New York Stock Exchange Toronto Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of voting stock held by non-affiliates of the Registrant amounted to $4,237,000,000 as of February 28, 1997.

At February 28, 1997, 92,920,305 shares of Common Stock were outstanding.

Certain items in Parts I and II incorporate information by reference from the 1996 Annual Report to Stockholders and Part III is incorporated by reference from the Proxy Statement for the annual meeting of stockholders to be held on May 7, 1997.

PART I

ITEM 1. BUSINESS

Amerada Hess Corporation (the "Registrant") was incorporated in 1920 in the State of Delaware. The Registrant and its subsidiaries (collectively referred to herein as the "Corporation") engage in the exploration for and the production, purchase, transportation and sale of crude oil and natural gas. The Corporation also manufactures, purchases, transports and markets refined petroleum products.

EXPLORATION AND PRODUCTION

The Corporation's exploration and production activities are located primarily in the United States, United Kingdom, Norway and Gabon. The Corporation also conducts exploration and/or production activities in Denmark, Thailand, Indonesia and other parts of the world. Of the Company's proved reserves (on a barrel of oil equivalent basis), 35% are located in the United States, 61% are located in the United Kingdom, Norwegian and Danish sectors of the North Sea and the remainder are located in Gabon, Indonesia and Thailand. Worldwide crude oil and natural gas liquids production amounted to 236,797 barrels per day in 1996 compared with 260,460 barrels per day in 1995. Worldwide natural gas production was 684,666 Mcf per day in 1996 compared with 884,131 Mcf per day in 1995.

At December 31, 1996, the Corporation had 578 million barrels of proved crude oil and natural gas liquids reserves compared with 695 million barrels at the end of 1995. Proved natural gas reserves were 1,866 million Mcf at December 31, 1996 compared with 2,481 million Mcf at December 31, 1995. The Corporation also has an inventory of drillable prospects in the United States, the North Sea and in other parts of the world.

In 1996, the Corporation sold its wholly-owned subsidiary, Amerada Hess Canada Ltd., certain United States and United Kingdom producing properties and Abu Dhabi assets. Reserves sold consisted of 98 million barrels of crude oil and natural gas liquids and 598 million Mcf of natural gas, which generated proceeds of approximately $1 billion. As a result of the asset sales in the second and third quarters of 1996, worldwide production was reduced by approximately 35,000 barrels of crude oil and natural gas liquids per day and 275,000 Mcf of natural gas per day. Of that amount, 12,500 barrels of crude oil per day and 85,000 Mcf of natural gas per day related to United States operations.

UNITED STATES. The Corporation operates principally offshore in the Gulf of Mexico and onshore in the states of Texas, Louisiana and North Dakota. During 1996, 21% of the Corporation's crude oil and natural gas liquids production and 49% of its natural gas production were from United States operations.

The table below sets forth the Corporation's average daily net production by area in the United States:

	1996	1995
CRUDE OIL, INCLUDING CONDENSATE AND NATURAL GAS LIQUIDS (BARRELS PER DAY)		
Texas	19,204	23,256
North Dakota	12,366	12,414
Gulf of Mexico	10,642	12,114
Louisiana	2,155	3,592
Alaska	--	3,133
Other	5,758	8,497
Total	50,125	63,006
NATURAL GAS (MCF PER DAY)		
Gulf of Mexico	133,878	186,427
North Dakota	46,934	48,228
Louisiana	46,713	54,387
Texas	30,632	37,077
New Mexico	22,253	23,297
Mississippi	17,341	8,898
California	16,870	15,144
Oklahoma	5,906	21,491
Other	17,126	6,632
Total	337,653	401,581

UNITED KINGDOM. The Corporation's activities in the United Kingdom are conducted by its wholly-owned subsidiary, Amerada Hess Limited. During 1996, 60% of the Corporation's crude oil and natural gas liquids production and 37% of its natural gas production were from United Kingdom operations.

The table below sets forth the Corporation's average daily net production in the United Kingdom by field and the Corporation's interest in each at December 31, 1996:

PRODUCING FIELD	INTEREST	1996	1995
CRUDE OIL, INCLUDING CONDENSATE AND NATURAL GAS LIQUIDS (BARRELS PER DAY)			
Scott	34.95%	51,877	64,209
Fife/Fergus	85.00/65.00	31,430	13,123
Beryl/Ness	20.00	19,037	18,442
Ivanhoe/Rob Roy/Hamish	42.08	14,163	18,227
Arbroath/Montrose/Arkwright	28.21	9,320	10,484
Hudson	28.00	8,343	9,813
Other	Various	7,184	8,031
Total		141,354	142,329
NATURAL GAS (MCF PER DAY)			
Beryl/Ness	20.00%	45,581	46,725
Everest/Lomond	18.67/16.67	44,591	42,491
Davy/Bessemer	27.78/23.08	40,551	11,812
Leman	21.74	37,967	46,241
Indefatigable	23.08	32,736	27,409
Scott	34.95	22,760	28,913
Other	Various	29,797	35,716
Total		253,983	239,307

NORWAY. The Corporation's activities in Norway are conducted through its wholly-owned Norwegian subsidiary, Amerada Hess Norge A/S. The Corporation's Norwegian operations accounted for crude oil and natural gas liquids production of 29,188 and 26,990 net barrels per day in 1996 and 1995, respectively. Approximately 60% of this production is from the Corporation's 28.09% interest in the Valhall Field.

GABON. The Corporation has a 5.5% interest in the Rabi Kounga oil field onshore Gabon. The Corporation's share of production from Gabon averaged 9,725 and 9,468 net barrels of crude oil per day in 1996 and 1995, respectively.

REFINING AND MARKETING

The Corporation's refining facilities are located in St. Croix, United States Virgin Islands and Port Reading, New Jersey. Total crude runs averaged 396,000 barrels per day in 1996 and 377,000 barrels per day in 1995. The Corporation's Virgin Islands refinery was supplied principally under contracts of one year or less with third parties and through spot purchases on the open market. In 1996, the Corporation's production supplied less than 5% of its crude runs. Approximately 80% of the refined products marketed in 1996 was obtained from the Corporation's refineries. The Corporation purchased the balance from others under short-term supply contracts and by spot purchases from various sources. Sales of refined products averaged 495,000 barrels per day in 1996 compared with 487,000 barrels per day in 1995.

HESS OIL VIRGIN ISLANDS REFINERY. The Corporation owns and operates a petroleum refinery in St. Croix, United States Virgin Islands through its wholly-owned subsidiary, Hess Oil Virgin Islands Corp. ("HOVIC"). In 1996, refined products produced were approximately 69% gasoline and distillates, 10% refinery feedstocks and the remainder principally residual fuel oil. In addition to crude distillation capacity, the refinery has a fluid catalytic cracking unit, which has a current operating rate of approximately 125,000 barrels per day.

The refinery also has catalytic reforming units, vacuum distillation capacity, visbreakers, a sulfolane unit, a penex unit, distillate desulfurizers, vacuum gas oil desulfurizers and sulfur recovery facilities. HOVIC has approximately 31 million barrels of storage capacity.

The refinery has the capability to process a variety of crude oils, including high-sulfur crudes. The refinery has a 60-foot-deep harbor and docking facilities for ten ocean-going tankers. The refinery's harbor accommodates very large crude carriers after a portion of their crude oil cargo is lightered at the Corporation's storage and transshipment facility in Saint Lucia, which has a 90-foot-deep harbor. The Saint Lucia facility has approximately 9 million barrels of storage capacity.

PORT READING FACILITY. The Corporation owns and operates a fluid catalytic cracking facility in Port Reading, New Jersey, which processes vacuum gas oil and operates at a rate of approximately 58,000 barrels per day. The Port Reading facility primarily produces gasoline and heating oil.

MARKETING. The Corporation markets refined petroleum products principally on the East Coast of the United States to the motoring public, wholesale distributors, industrial and commercial users, other petroleum companies, commercial airlines, governmental agencies and public utilities.

At December 31, 1996, the Corporation had 548 HESS(R) gasoline stations of which approximately 80% were operated by the Corporation. Most of the Corporation's stations are concentrated in highly-populated, urban areas, principally in New York, New Jersey and Florida. Of the Corporation's stations, 178 have HESS MART(R) convenience stores. The Corporation owns in fee approximately 75% of the properties on which its stations are located. The Corporation also has 41 terminals located throughout its marketing area, with aggregate storage capacity of approximately 45 million barrels.

COMPETITION AND MARKET CONDITIONS

The petroleum industry is highly competitive. The Corporation encounters competition from numerous companies in each of its activities, particularly in acquiring rights to explore for crude oil and natural gas and in the purchasing and marketing of refined products. Many competitors are larger and have substantially greater resources than the Corporation. The Corporation is also in competition with producers and marketers of other forms of energy.

The petroleum business involves large-scale capital expenditures and risk-taking. In the search for new oil and gas reserves, long lead times are often required from successful exploration to subsequent production. Operations in the petroleum industry depend on a depleting natural resource. The number of areas where it can be expected that hydrocarbons will be discovered in commercial quantities is constantly diminishing and exploration risks are high. Areas where hydrocarbons may be found are often in remote locations or offshore where exploration and development activities are capital intensive and operating costs are high.

The major foreign oil producing countries, including members of the Organization of Petroleum Exporting Countries ("OPEC"), exert considerable influence over the supply and price of crude oil and refined petroleum products. Their ability or inability to agree on a common policy on rates of production, oil prices, and other matters has a significant impact on oil markets and the Corporation. The derivatives markets are also important in influencing the prices of crude oil, natural gas and refined products. The Corporation cannot predict the extent to which future market conditions may be affected by OPEC, the derivatives markets or other external influences.

Selling prices and margins of refined products are subject to changing market conditions. Supply and demand factors, including the effects of weather, will continue to affect refined product markets. As a result, the Corporation's earnings will continue to be volatile.

OTHER ITEMS

The Corporation's operations may be affected by federal, state, local, territorial and foreign laws and regulations relating to tax increases and retroactive tax claims, expropriation of property, cancellation of contract rights, and changes in import regulations, as well as other political developments. The Corporation has been affected by certain of these events in various countries in which it operates. The Corporation markets motor fuels through lessee-dealers and wholesalers in certain states where legislation prohibits producers or refiners of crude oil from directly engaging in retail marketing of motor fuels. Similar legislation has been periodically proposed in the U.S. Congress and in various other states. The Corporation, at this time, cannot predict the effect of any of the foregoing on its future operations.

Compliance with various environmental and pollution control regulations imposed by federal, state and local governments is not expected to have a materially adverse effect on the Corporation's earnings and competitive position within the industry. Capital expenditures for facilities, primarily to comply with federal, state and local environmental standards, were $7 million in 1996 and the Corporation anticipates comparable capital expenditures in 1997. In addition, the Corporation expended $13 million in 1996 for environmental remediation, with a comparable amount anticipated for 1997.

The number of persons employed by the Corporation averaged 9,085 in 1996 and 9,574 in 1995.

Additional operating and financial information relating to the business and properties of the Corporation appears in the text on page 6 under the heading "United States Exploration and Production," on pages 9 and 10 under the heading "International Exploration and Production," on pages 13 and 14 under the heading "Refining and Marketing," on pages 17 through 21 under the heading "Financial Review" and on pages 22 through 47 of the accompanying 1996 Annual Report to Stockholders, which information is incorporated herein by reference.*

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* Except as to information specifically incorporated herein by reference under Items 1, 2, 5, 6, 7 and 8, no other information or data appearing in the 1996 Annual Report to Stockholders is deemed to be filed with the Securities and Exchange Commission (SEC) as part of this Annual Report on Form 10-K, or otherwise subject to the SEC's regulations or the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended.

ITEM 2. PROPERTIES

Reference is made to Item 1 and the operating and financial information relating to the business and properties of the Corporation, which is incorporated in Item 1 by reference.

Additional information relating to the Corporation's oil and gas operations follows.

1. OIL AND GAS RESERVES

The Corporation's net proved oil and gas reserves at the end of 1996, 1995 and 1994 are presented under Supplementary Oil and Gas Data in the accompanying 1996 Annual Report to Stockholders, which has been incorporated herein by reference.

During 1996, the Corporation provided oil and gas reserve estimates for 1995 to the Department of Energy. Such estimates are compatible with the information furnished to the SEC on Form 10-K, although not necessarily directly comparable due to the requirements of the individual requests. There were no differences in excess of 5%.

The Corporation has no long-term contracts or agreements to sell fixed quantities of its crude oil production. Approximately 60% of the Corporation's 1996 natural gas sales were made under long-term contracts to various purchasers. Contractual commitments in 1997 (which are expected to be comparable to 1996) will be filled from the Corporation's production and from contractual purchases.

2. AVERAGE SELLING PRICES AND AVERAGE PRODUCTION COSTS

	1996	1995	1994
Average selling prices (Note A)			
Crude oil, including condensate and natural gas liquids (per barrel)			
United States..........................	$ 16.49	$ 15.82	$ 15.43
Europe.................................	20.23	17.05	15.96
Canada.................................	17.83	15.77	15.94
Other areas............................	20.18	16.79	15.45
Average................................	19.41	16.68	15.78
Natural gas (per Mcf)			
United States (Note B).................	$ 2.43	$ 1.70	$ 1.91
Europe.................................	2.05	2.05	2.04
Canada.................................	1.35	1.02	1.36
Average................................	2.31	1.67	1.86

Note A: Includes inter-company transfers valued at approximate market prices and the effect of the Corporation's hedging activities.

Note B: Includes sales of purchased gas.

	1996	1995	1994
Average production (lifting) costs per barrel of production (Note C)			
United States	$ 4.56	$ 4.29	$ 4.10
Europe	5.30	4.34	4.37
Canada	2.74	2.65	2.98
Other areas	2.81	3.41	3.08
Average	4.88	4.09	4.06

Note C: Production (lifting) costs consist of amounts incurred to operate and maintain the Corporation's producing oil and gas wells, related equipment and facilities (including lease costs of floating production and storage facilities) and production and severance taxes. The average production costs per barrel reflect the crude oil equivalent of natural gas production converted on the basis of relative energy content.

The foregoing tabulation does not include substantial costs and charges applicable to finding and developing proved oil and gas reserves, nor does it reflect significant outlays for related general and administrative expenses, interest expense and income taxes.

3. GROSS AND NET DEVELOPED ACREAGE AND PRODUCTIVE WELLS AT DECEMBER 31, 1996

	DEVELOPED ACREAGE APPLICABLE TO PRODUCTIVE WELLS (IN THOUSANDS)		PRODUCTIVE WELLS (NOTE A)			
			OIL		GAS	
	GROSS	NET	GROSS	NET	GROSS	NET
United States	1,880	544	2,761	797	790	426
Europe	637	141	346	51	143	29
Other areas	55	8	103	6	-	-
Total	2,572	693	3,210	854	933	455

Note A: Includes multiple completion wells (wells producing from different formations in the same bore hole) totaling 84 gross wells and 47 net wells.

4. GROSS AND NET UNDEVELOPED ACREAGE AT DECEMBER 31, 1996

	UNDEVELOPED ACREAGE (IN THOUSANDS)	
	GROSS	NET
United States	1,314	891
Europe	8,107	2,779
Other areas	16,712	4,676
Total	26,133	8,346

5. NUMBER OF NET EXPLORATORY AND DEVELOPMENT WELLS DRILLED

	NET EXPLORATORY WELLS			NET DEVELOPMENT WELLS		
	1996	1995	1994	1996	1995	1994
Productive wells						
United States	8	20	10	22	25	27
Europe	6	3	5	12	10	6
Canada	7	3	9	8	12	13
Other areas	-	-	1	1	1	1
Total	21	26	25	43	48	47
Dry holes						
United States	22	24	17	-	3	-
Europe	8	6	1	2	-	-
Canada	5	14	5	1	2	1
Other areas	2	1	-	-	-	-
Total	37	45	23	3	5	1
Total	58	71	48	46	53	48

6. NUMBER OF WELLS IN PROCESS OF DRILLING AT DECEMBER 31, 1996

	GROSS WELLS	NET WELLS
United States	13	7
Europe	13	2
Other areas	2	-
Total	28	9

7. NUMBER OF WATERFLOODS AND PRESSURE MAINTENANCE PROJECTS IN PROCESS OF INSTALLATION AT DECEMBER 31, 1996 -- None

ITEM 3. LEGAL PROCEEDINGS

The Registrant and its wholly-owned subsidiary, Hess Oil Virgin Islands Corp. ("HOVIC") had been under investigation by a grand jury in, and by the United States Attorney's Office for, the District of New Jersey, and by a grand jury in, and by the United States Attorney's Office for, the District of Arizona and by the Environmental Crimes Unit of the United States Department of Justice. The focus of these investigations concerned the storage and shipment of allegedly hazardous waste. The waste at issue, spent distillate desulfurizer catalyst, was shipped from the HOVIC refinery in St. Croix, U.S. Virgin Islands, to various locations in the United States, including Arizona. The investigations sought to determine whether criminal violations of the Resource Conservation and Recovery Act ("RCRA") and other federal laws occurred in connection with the handling and transportation of the alleged hazardous waste.

In December 1996, HOVIC entered into a plea agreement with United States Attorneys for the Districts of New Jersey, Arizona and the Virgin Islands, the Southern District of Texas and the Western District of Louisiana, the U.S. Environmental Protection Agency - Region II (the "EPA") and the U.S. Department of Justice, Environmental and Natural Resource Division (collectively, the "United States"). Pursuant to the plea agreement, which was approved by the United States District Court for the District of New Jersey, HOVIC entered a guilty plea to a one-count information charging it with causing hazardous waste to be transported without a manifest in violation of Title 42, United States Code, Section 6928(d)(5), a provision of RCRA. Under the plea agreement, the United States agreed that it will not bring any further charges against

HOVIC, Registrant or HOVIC's affiliates or any of their respective present or former employees for any criminal violations arising out of or related to: the generation, treatment, storage, transportation and disposal of spent refinery catalyst generated at the HOVIC refinery between April 1990 and January 1992 and transported to certain locations in Texas and Arizona specified in the plea agreement between December 1991 and May 1992; the reporting of or failure to report the release of benzene in connection with the spent catalyst described above; written or oral statements or testimony concerning the spent catalyst described above; or the filing of the 1990/1991 and 1992/1993 EPA Biennial reports filed by HOVIC or Registrant.

The sentence agreed to be imposed upon HOVIC under the plea agreement, which was approved and imposed by the District Court, as a result of HOVIC's plea of guilty was as follows: (i) HOVIC paid a criminal fine of $3,000,000; (ii) HOVIC paid $2,300,000 in restitution/community service to be disbursed in accordance with the plea agreement; and (iii) HOVIC further agreed to comply with EPA reporting requirements contained in the plea agreement relating to spent distillate desulfurizer catalyst at the HOVIC refinery.

Under the plea agreement, it is agreed that the entry of this plea shall not affect the consideration of the EPA of any permit or application. HOVIC and the EPA have also separately agreed that the entry of this plea shall not result in a civil debarment of HOVIC, Registrant or HOVIC's affiliates, provided that HOVIC materially complies with the reporting requirements of the plea agreement. If it is determined that HOVIC or Registrant has materially failed to comply with any provision of the plea agreement, the United States shall be released from its commitments under the plea agreement and shall so notify HOVIC in writing.

On April 27, 1993, the Texas Natural Resource Conservation Commission ("TNRCC", then known as the Texas Water Commission) notified the Registrant of alleged violation of the Texas Water Code as a result of alleged discharges of hydrocarbon compounds into the groundwater in the vicinity of the Registrant's terminal in Corpus Christi, Texas. Penalties provided for these violations include administrative penalties not to exceed $10,000 per day. The Registrant has undertaken a groundwater assessment, an interim correction measures program and other appropriate responses to these allegations. On December 9, 1994, the Executive Director of the TNRCC forwarded a Notice of Executive Director's Preliminary Report and Petition for a TNRCC Order Assessing Administrative Penalties and Requiring Certain Actions of Amerada Hess Corporation. This Notice recommended a $542,400 penalty be assessed and the Registrant be ordered to undertake remedial actions at the Corpus Christi terminal. The Registrant is engaging in settlement discussions with the TNRCC regarding this matter.

On September 24, 1996, the EPA commenced an administrative proceeding against Registrant and HOVIC. The complaint alleges that HOVIC did not determine whether two wastes generated from maintenance activities at HOVIC's refinery were hazardous, and that on six occasions in 1994, these wastes were placed on HOVIC's land treatment units in violation of federal land disposal restrictions regulations. EPA is seeking a penalty of $165,917. HOVIC and Registrant are engaging in settlement discussions with EPA regarding this matter.

The Corporation periodically receives notices from the EPA that the Corporation is a "potentially responsible party" under the Superfund legislation with respect to various waste disposal sites. Under this legislation, all potentially responsible parties are jointly and severally liable. For certain sites, EPA's claims or assertions of liability against the Corporation relating to these sites have not been fully developed. With respect to the remaining sites, EPA's claims have been settled, or a proposed settlement is under consideration, in all cases for amounts which are not material. The ultimate impact of these proceedings, and of any related proceedings by private parties, on the business or accounts of the Corporation cannot be predicted at this time due to the large number of other potentially responsible parties and the speculative nature of clean-up cost estimates, but is not expected to be material.

The Corporation is from time to time involved in other judicial and administrative proceedings, including proceedings relating to other environmental matters. Although the ultimate outcome of these proceedings cannot be ascertained at this time and some of them may be resolved adversely to the Corporation, no such proceeding is required to be disclosed under applicable rules of the Securities and Exchange Commission. In management's opinion, based upon currently known facts and circumstances, such proceedings in the aggregate will not have a material adverse effect on the financial condition of the Corporation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the fourth quarter of 1996, no matter was submitted to a vote of security holders through the solicitation of proxies or otherwise.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table presents information as of February 1, 1997 regarding executive officers of the Registrant:

NAME	AGE	OFFICE HELD*	YEAR INDIVIDUAL BECAME AN EXECUTIVE OFFICER
John B. Hess	42	Chairman of the Board, Chief Executive Officer and Director	1983
W. S. H. Laidlaw	41	President, Chief Operating Officer and Director	1986
Leon Hess	82	Chairman of the Executive Committee and Director	1969
H. W. McCollum	83	Chairman of the Finance Committee and Director	1969
J. Barclay Collins II	52	Executive Vice President, General Counsel and Director	1986
John Y. Schreyer	57	Executive Vice President, Chief Financial Officer and Director	1990
Alan A. Bernstein	52	Senior Vice President	1987
Marco B. Bianchi	57	Senior Vice President and Director	1986
F. Lamar Clark	63	Senior Vice President	1990
Neal Gelfand	52	Senior Vice President	1980
Daniel F. McCarthy	52	Senior Vice President	1995
Lawrence H. Ornstein	45	Senior Vice President	1995
Rene L. Sagebien	56	Senior Vice President	1990
F. Borden Walker	43	Senior Vice President	1996
Gerald A. Jamin	55	Treasurer	1985

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* All officers referred to herein hold office in accordance with the By-Laws until the first meeting of the Directors following the annual meeting of stockholders of the Registrant, and until their successors shall have been duly chosen and qualified. Each of said officers was elected to the office set forth opposite his name on May 1, 1996, except that Mr. Walker was elected to his present office by the Board of Directors at its regular meeting on August 7, 1996. The first meeting of Directors following the next annual meeting of stockholders of the Registrant is scheduled to be held May 7, 1997.

Except for Mr. Walker, each of the above officers has been employed by the Registrant in various managerial and executive capacities for more than five years. Prior to his employment with the Registrant in August 1996, Mr. Walker had been a general manager in the areas of gasoline marketing, convenience store development and advertising at Mobil Corporation.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Information pertaining to the market for the Registrant's Common Stock, high and low sales prices of the Common Stock in 1996 and 1995, dividend payments and restrictions thereon and the number of holders of Common Stock is presented on page 21 (Financial Review), page 29 (Long-Term Debt) and on page 44 (Ten-Year Summary of Financial Data) of the accompanying 1996 Annual Report to Stockholders, which has been incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

A Ten-Year Summary of Financial Data is presented on pages 42 through 45 of the accompanying 1996 Annual Report to Stockholders, which has been incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this item is presented on pages 17 through 21 of the accompanying 1996 Annual Report to Stockholders, which has been incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements, including the Report of Ernst & Young LLP, Independent Auditors, the Supplementary Oil and Gas Data (unaudited) and the Quarterly Financial Data (unaudited) are presented on pages 21 through 41 of the accompanying 1996 Annual Report to Stockholders, which has been incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information relating to Directors is incorporated herein by reference to "Election of Directors" from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 7, 1997.

Information regarding executive officers is included in Part I hereof.

ITEM 11. EXECUTIVE COMPENSATION

Information relating to executive compensation is incorporated herein by reference to "Election of Directors-Executive Compensation and Other Information," other than information under "Compensation Committee Report on Executive Compensation" and "Performance Graph" included therein, from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 7, 1997.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information pertaining to security ownership of certain beneficial owners and management is incorporated herein by reference to "Election of Directors-Ownership of Voting Securities by Certain Beneficial Owners" and "Election of Directors-Ownership of Equity Securities by Management" from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 7, 1997.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information relating to this item is incorporated herein by reference to "Election of Directors" from the Registrant's definitive proxy statement for the annual meeting of stockholders to be held on May 7, 1997.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(A) 1. AND 2. FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

The financial statements filed as part of this Annual Report on Form 10-K are listed in the accompanying index to financial statements and schedules.

3. EXHIBITS

3 (1)	- Restated Certificate of Incorporation of Registrant incorporated by reference to Exhibit 19 of Form 10-Q of Registrant for the three months ended September 30, 1988.
3 (2)	- By-Laws of Registrant incorporated by reference to Exhibit 3(2) of Form 10-K of Registrant for the fiscal year ended December 31, 1985.
4 (1)	- Note and Warrant Purchase Agreement, dated June 27, 1991 (including the form of the Common Stock Purchase Warrant expiring June 27, 2001, included as Exhibit B thereof) incorporated by reference to Exhibit 4 of Form 10-Q of Registrant for the three months ended June 30, 1991.
4 (2)	- Amendment, dated as of May 15, 1992 to the Note and Warrant Purchase Agreement, dated June 27, 1991 (including the form of the common stock purchase warrant expiring June 27, 2001, included as Exhibit B thereof), incorporated by reference to Exhibit 19 of Form 10-Q of Registrant for the three months ended June 30, 1992.
	- Other instruments defining the rights of holders of long-term debt of Registrant and its consolidated subsidiaries are not being filed since the total amount of securities authorized under each such instrument does not exceed 10 percent of the total assets of Registrant and its subsidiaries on a consolidated basis. Registrant agrees to furnish to the Commission a copy of any instruments defining the rights of holders of long-term debt of Registrant and its subsidiaries upon request.
10(1)	- Extension and Amendment Agreement between the Government of the Virgin Islands and Hess Oil Virgin Islands Corp. incorporated by reference to Exhibit 10(4) of Form 10-Q of Registrant for the three months ended June 30, 1981.
10(2)	- Restated Second Extension and Amendment Agreement dated July 27, 1990 between Hess Oil Virgin Islands Corp. and the Government of the Virgin Islands incorporated by reference to Exhibit 19 of Form 10-Q of Registrant for the three months ended September 30, 1990.
10(3)	- Technical Clarifying Amendment dated as of November 17, 1993 to Restated Second Extension and Amendment Agreement between the Government of the Virgin Islands and Hess Oil Virgin Islands Corp. incorporated by reference to Exhibit 10(3) of Form 10-K of Registrant for the fiscal year ended December 31, 1993.
10(4)*	- Incentive Compensation Award Plan for Key Employees of Amerada Hess Corporation and its subsidiaries incorporated by reference to Exhibit 10(2) of Form 10-K of Registrant for the fiscal year ended December 31, 1980.
10(5)*	- Financial Counseling Program description incorporated by reference to Exhibit 10(3) of Form 10-K of Registrant for the fiscal year ended December 31, 1980.

3. EXHIBITS (continued)

10(6)*	- Executive Long-Term Incentive Compensation and Stock Ownership Plan of Registrant dated June 3, 1981 incorporated by reference to Exhibit 10(5) of Form 10-Q of Registrant for the three months ended June 30, 1981.
10(7)*	- Amendment dated as of December 5, 1990 to the Executive Long-Term Incentive Compensation and Stock Ownership Plan of Registrant incorporated by reference to Exhibit 10(9) of Form 10-K of Registrant for the fiscal year ended December 31, 1990.
10(8)*	- Amerada Hess Corporation Pension Restoration Plan dated January 19, 1990 incorporated by reference to Exhibit 10(9) of Form 10-K of Registrant for the fiscal year ended December 31, 1989.
10(9)*	- Letter Agreement dated August 8, 1990 between Registrant and Mr. John Y. Schreyer relating to Mr. Schreyer's participation in the Amerada Hess Corporation Pension Restoration Plan incorporated by reference to Exhibit 10(11) of Form 10-K of Registrant for the fiscal year ended December 31, 1991.
10(10)*	- 1995 Long-Term Incentive Plan, as amended, incorporated by reference to Appendix A of Registrant's definitive proxy statement dated March 28, 1996 for the Annual Meeting of Stockholders held on May 1, 1996.
13	- 1996 Annual Report to Stockholders of Registrant.
21	- Subsidiaries of Registrant.
23	- Consent of Ernst & Young LLP, Independent Auditors, dated March 21, 1997, to the incorporation by reference in Registrant's Registration Statements on Form S-8 (Nos. 33-39816 and 33-65115) of its report relating to Registrant's financial statements, which consent appears on page F-2 herein.
27	- Financial Data Schedule (for electronic filing only).

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* These exhibits relate to executive compensation plans and arrangements.

(B) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the last quarter of Registrant's fiscal year ended December 31, 1996.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, ON THE 21ST DAY OF MARCH 1997.

AMERADA HESS CORPORATION
(REGISTRANT)

By /s/ JOHN Y. SCHREYER
....
(JOHN Y. SCHREYER)
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
/s/ JOHN B. HESS .... (JOHN B. HESS)	Director, Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 21, 1997
/s/ W.S.H. LAIDLAW .... (W.S.H. LAIDLAW)	Director, President and Chief Operating Officer	March 21, 1997
/s/ MARCO B. BIANCHI .... (MARCO B. BIANCHI)	Director	March 21, 1997
/s/ NICHOLAS F. BRADY .... (NICHOLAS F. BRADY)	Director	March 21, 1997
/s/ J. BARCLAY COLLINS II .... (J. BARCLAY COLLINS II)	Director	March 21, 1997
/s/ PETER S. HADLEY .... (PETER S. HADLEY)	Director	March 21, 1997
/s/ LEON HESS .... (LEON HESS)	Director	March 21, 1997
/s/ EDITH E. HOLIDAY .... (EDITH E. HOLIDAY)	Director	March 21, 1997
.... (WILLIAM R. JOHNSON)	Director	March 21, 1997
.... (THOMAS H. KEAN)	Director	March 21, 1997
/s/ H. W. MCCOLLUM .... (H. W. MCCOLLUM	Director	March 21, 1997
/s/ ROGER B. ORESMAN .... (ROGER B. ORESMAN)	Director	March 21, 1997

SIGNATURE	TITLE	DATE
/s/ JOHN Y. SCHREYER (JOHN Y. SCHREYER)	Director, Executive Vice President and Chief Financial Officer (Principal Accounting and Financial Officer)	March 21 1997
(WILLIAM I. SPENCER)	Director	March 21, 1997
/s/ ROBERT N. WILSON (ROBERT N. WILSON)	Director	March 21, 1997
/s/ ROBERT F. WRIGHT (ROBERT F. WRIGHT)	Director	March 21, 1997

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

* The financial statements and notes thereto together with the Report of Ernst & Young LLP, Independent Auditors, on pages 22 through 36, the Quarterly Financial Data (unaudited) on page 21, and the Supplementary Oil and Gas Data (unaudited) on pages 37 through 41 of the accompanying 1996 Annual Report to Stockholders are incorporated herein by reference.

** All schedules have been omitted because of the absence of the conditions under which they are required or because the required information is presented in the financial statements or the notes thereto.

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Amerada Hess Corporation of our report dated February 14, 1997, included in the 1996 Annual Report to Stockholders of Amerada Hess Corporation.

We also consent to the incorporation by reference in the Registration Statements (Form S-8, Nos. 33-39816 and 33-65115) pertaining to the Amerada Hess Corporation Employees' Savings and Stock Bonus Plan and the 1995 Long-Term Incentive Plan, of our report dated February 14, 1997, with respect to the consolidated financial statements incorporated herein by reference.

/s/ ERNST & YOUNG LLP
ERNST & YOUNG LLP

New York, N.Y.
March 21, 1997

EXHIBIT INDEX

EXHIBIT NUMBER		DESCRIPTION
3(1)	--	Restated Certificate of Incorporation of Registrant incorporated by reference to Exhibit 19 of Form 10-Q of Registrant for the three months ended September 30, 1988.
3(2)	--	By-Laws of Registrant incorporated by reference to Exhibit 3(2) of Form 10-K of Registrant for the fiscal year ended December 31, 1985.
4(1)	--	Note and Warrant Purchase Agreement, dated June 27, 1991 (including the form of the Common Stock Purchase Warrant expiring June 27, 2001, included as Exhibit B thereof) incorporated by reference to Exhibit 4 of Form 10-Q of Registrant for the three months ended June 30, 1991.
4(2)	--	Amendment, dated as of May 15, 1992 to the Note and Warrant Purchase Agreement, dated June 27, 1991 (including the form of the common stock purchase warrant expiring June 27, 2001, included as Exhibit B thereof), incorporated by reference to Exhibit 19 of Form 10-Q of Registrant for the three months ended June 30, 1992.
	--	Other instruments defining the rights of holders of long-term debt of Registrant and its consolidated subsidiaries are not being filed since the total amount of securities authorized under each such instrument does not exceed 10 percent of the total assets of Registrant and its subsidiaries on a consolidated basis. Registrant agrees to furnish to the Commission a copy of any instruments defining the rights of holders of long-term debt of Registrant and its subsidiaries upon request.
10(1)	--	Extension and Amendment Agreement between the Government of the Virgin Islands and Hess Oil Virgin Islands Corp. incorporated by reference to Exhibit 10(4) of Form 10-Q of Registrant for the three months ended June 30, 1981.
10(2)	--	Restated Second Extension and Amendment Agreement dated July 27, 1990 between Hess Oil Virgin Islands Corp. and the Government of the Virgin Islands incorporated by reference to Exhibit 19 of Form 10-Q of Registrant for the three months ended September 30, 1990.
10(3)	--	Technical Clarifying Amendment dated as of November 17, 1993 to Restated Second Extension and Amendment Agreement between the Government of the Virgin Islands and Hess Oil Virgin Islands Corp. incorporated by reference to Exhibit 10(3) of Form 10-K of Registrant for the fiscal year ended December 31, 1993.
10(4)*	--	Incentive Compensation Award Plan for Key Employees of Amerada Hess Corporation and its subsidiaries incorporated by reference to Exhibit 10(2) of Form 10-K of Registrant for the fiscal year ended December 31, 1980.
10(5)*	--	Financial Counseling Program description incorporated by reference to Exhibit 10(3) of Form 10-K of Registrant for the fiscal year ended December 31, 1980.
10(6)*	--	Executive Long-Term Incentive Compensation and Stock Ownership Plan of Registrant dated June 3, 1981 incorporated by reference to Exhibit 10(5) of Form 10-Q of Registrant for the three months ended June 30, 1981.
10(7)*	--	Amendment dated as of December 5, 1990 to the Executive Long-Term Incentive Compensation and Stock Ownership Plan of Registrant incorporated by reference to Exhibit 10(9) of Form 10-K of Registrant for the fiscal year ended December 31, 1990.

EXHIBIT NUMBER		DESCRIPTION
10(8)*	--	Amerada Hess Corporation Pension Restoration Plan dated January 19, 1990 incorporated by reference to Exhibit 10(9) of Form 10-K of Registrant for the fiscal year ended December 31, 1989.
10(9)*	--	Letter Agreement dated August 8, 1990 between Registrant and Mr. John Y. Schreyer relating to Mr. Schreyer's participation in the Amerada Hess Corporation Pension Restoration Plan incorporated by reference to Exhibit 10(11) of Form 10-K of Registrant for the fiscal year ended December 31, 1991.
10(10)*	--	1995 Long-Term Incentive Plan, as amended, incorporated by reference to Appendix A of Registrant's definitive proxy statement dated March 28, 1996 for the Annual Meeting of Stockholders held on May 1, 1996.
13	--	1996 Annual Report to Stockholders of Registrant.
21	--	Subsidiaries of Registrant.
23	--	Consent of Ernst & Young LLP, Independent Auditors, dated March 21, 1997, to the incorporation by reference in Registrant's Registration Statements on Form S-8 (Nos. 33-39816 and 33-65115) of its report relating to Registrant's financial statements, which consent appears on page F-2 herein.
27	--	Financial Data Schedule (for electronic filing only).

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* These exhibits relate to executive compensation plans and arrangements.

UNITED STATES EXPLORATION AND PRODUCTION

In the Gulf of Mexico, Amerada Hess is utilizing a technologically innovative compliant tower to develop its Baldpate prospect, which is in 1,650 feet of water on Garden Banks Block 260 (AHC 50%). Production is expected to begin in the second half of 1998, with peak gross production estimated at 40,000 barrels of oil per day and 150,000 Mcf of natural gas per day. Amerada Hess also is evaluating the possibility of a subsea development of a discovery made in 1996 on Garden Banks Block 216 (AHC 50%) that would be tied back as a satellite to the facilities currently being constructed on Garden Banks Block 260. Early in 1997, the Corporation drilled an encouraging well on Garden Banks Block 215 (AHC 37.50%) upon which additional drilling is planned.

Development of the Enchilada prospect on Garden Banks Blocks 127 (AHC 25%) and 128 (AHC 25%) is proceeding with the installation of facilities designed to produce up to 60,000 barrels of oil and natural gas liquids per day and 400,000 Mcf of natural gas per day. Production is expected to begin in the second quarter of 1997. Fabrication is under way for the development of Garden Banks Block 172 (AHC 60%), which will be tied into the Garden Banks Block 128 facilities.

Production facilities have been installed on Ship Shoal Block 240 (AHC 33.34%) with first production expected in March 1997 at an average gross rate of 25,000 Mcf of natural gas per day and 800 barrels of condensate per day. Production has begun from South Marsh Island Block 192, which Amerada Hess operates with a 33.33% interest. Gross production has been averaging 25,000 Mcf of natural gas per day and 650 barrels of oil per day.

Onshore activities in 1996 concentrated on the Gulf Coast, North Dakota, New Mexico and California after the sale of the Corporation's interests in 340 fields for an aggregate sales price of $380 million. In onshore exploration, the Corporation continued its successful drilling program on its prospects in the Mississippi salt dome trend (AHC 75%). Daily gross production is averaging 35,000 Mcf of natural gas and 1,365 barrels of oil from this drilling program.

[Map of the Gulf Coast and the Gulf of Mexico]

The Gulf Coast and the Gulf of Mexico will provide additional crude oil and natural gas production for the Corporation.

2
PHOTO OF SALT DOME PROSPECT
MISSISSIPPI

3
PHOTO OF BLOCK 29/1b
NORTH SEA

8

INTERNATIONAL EXPLORATION AND PRODUCTION

UNITED KINGDOM Amerada Hess Limited, the Corporation's British subsidiary, brought two new fields on stream in 1996. The Fergus Field (AHL 65%) began production in September and has achieved gross rates of over 16,000 barrels of oil per day. The Telford Field (AHL 31.42%) was brought on stream in October and has been producing at an average gross rate of over 12,700 barrels of oil per day.

Three developments in which Amerada Hess Limited participated were completed in 1996. Production from the Nevis Field (AHL 22.72%) began in September at an initial gross daily rate of 13,300 barrels of oil and 10,600 Mcf of natural gas. The Arkwright Field (AHL 28.21%) began producing in November at a gross rate of 11,000 barrels of oil per day. The Beaufort Field (AHL 23.08%) is producing 30,000 Mcf of natural gas per day.

Amerada Hess Limited is developing the Durward and Dauntless Fields (AHL 28%) which are expected to begin producing in the second quarter of 1997. Production from the Schiehallion Field (AHL 15.67%) is expected in the first half of 1998.

Exploration successes during 1996 created a number of new oil and gas development opportunities. An exploration well drilled on Block 29/lb (AHL 51.65%) with the partners in adjacent Block 29/la tested at a maximum rate of 6,647 barrels of oil per day and 7,490 Mcf of natural gas per day. A well drilled on Block 20/5c (AHL 50%) by Amerada Hess Limited in a joint venture with the partners in Block 14/30b (AHL 44%) tested at a rate of 8,647 barrels per day of light hydrocarbons. A discovery known as Wood was drilled on Block 22/18 (AHL 28.20%) and tested at 3,500 barrels of oil per day and 10,000 Mcf of natural gas per day. The Halley Field (AHL 28.46%) was declared commercially viable after a well tested at 4,700 barrels of oil per day.

Possible developments for longer term growth are the Mariner Field (AHL 26.67%), the Clair Field (AHL 9.29%) and the Easington Catchment Area (ECA) (AHL 32%). Mariner and Clair are potential oil developments and the ECA is a potential natural gas development.

A large number of recent developments and probable new developments continue to make the United Kingdom a core area for the Corporation.

[Map of the United Kingdom North Sea]

NORWAY Crude oil and natural gas liquids production for Amerada Hess Norge A/S, the Corporation's Norwegian subsidiary, increased to 29,188 barrels per day in 1996 from 26,990 barrels per day in 1995, largely as a result of the installation of a new wellhead platform at the Valhall Field (AHN 28.09%).

Amerada Hess Norge is preparing a development plan for the Mjolner Field (AHN 50%). The current plan envisions first production early in 1999 with net production for Amerada Hess Norge expected to peak at 7,000 barrels of oil per day.

In the Norwegian Fifteenth Round of License Awards, Amerada Hess Norge received 20% interests in Blocks 24/9,24/11 and 24/12 and a 15% interest in Block 6710/10. In 1997, Amerada Hess Norge also obtained its third operatorship in Norway on Blocks 6306/2 and 6306/5 in which it has interests of 70%.

DENMARK Amerada Hess A/S, the Corporation's Danish subsidiary, completed a successful appraisal well in 1996 on the South Arne Field (AH A/S 65.69%), which tested at 5,263 barrels of oil per day. The original discovery well drilled in 1995 had tested crude oil at a rate of 2,341 barrels per day. Amerada Hess A/S has filed a plan with the Danish authorities to develop the South Arne Field.

GABON The Corporation's share of production in the Rabi Kounga Field averaged 9,725 barrels of oil per day in 1996 compared with 9,468 barrels per day in 1995. Amerada Hess, as operator with a 55% interest, completed an extensive seismic program covering its Mazoumbel exploration permit during 1996. An exploration well is expected to be drilled on this 573,534 acre permit in 1997.

THAILAND Phase one of the development of the Pailin Field (AHC 15%) has begun. Production is expected to begin in 1999 with peak production for Amerada Hess expected to be 40,000 Mcf of natural gas per day and 1,000 barrels of oil per day. Drilling to extend the Pailin Field and increase production rates has begun.

INDONESIA The Corporation acquired a 33.33% interest in the Jabung production sharing contract. This includes the North Geragai Field that is being developed. First production is expected in mid-1997 with the Corporation's share expected to peak at 4,000 barrels of oil per day and 14,000 Mcf of natural gas per day. A subsequent discovery was made and tested at 3,915 barrels of oil per day and 6,800 Mcf of natural gas per day. Additional drilling is planned.

[Map of the waters offshore Norway and Denmark]

The waters offshore Norway and Denmark offer significant future potential for oil and gas development.

6
PHOTO OF SOUTH ARNE FIELD
DENMARK

7
PHOTO OF CATCRACKER EXPANSION
ST. CROIX, VIRGIN ISLANDS

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REFINING AND MARKETING

REFINING Hess Oil Virgin Islands Corp., the Corporation's Virgin Islands subsidiary (HOVIC), brought its fluid catalytic cracking unit down for a scheduled maintenance turnaround in the fourth quarter of 1996, the first turnaround since the unit came on stream in October 1993. While routine maintenance was being performed, the capacity of the fluid catalytic cracking unit was increased from 110,000 barrels per day to its current operating rate of approximately 125,000 barrels per day. The unit manufactures gasoline from feedstock of heavy gas oils and residual fuel oils. The increased operating rate allows a greater percentage of the refinery's yield to be sold as higher value gasoline.

HOVIC also has initiated a program to increase the use of advanced computer controls for maximizing operational performance of its processing units. Advanced computer controls were installed on the fluid catalytic cracking unit during 1996 and will be installed on most of the refinery's other units over the next two years.

The Virgin Islands refinery is capable of manufacturing California Air Resources Board (CARB) gasoline and CARB diesel fuel, which are required in California, and the new .05% sulfur European diesel fuel. Several cargoes of CARB gasoline and CARB diesel fuel were shipped to California during 1996.

The Corporation has received a modified air permit from the New Jersey Environmental Protection Agency to operate its fluid catalytic cracking unit at Port Reading at rates up to 62,000 barrels per day. The unit operated at an average rate of 58,000 barrels per day in 1996 compared with an average rate of 54,000 barrels per day in 1995. Late in 1996, the unit's operating rate reached a level of 60,000 barrels per day.

Refinery runs averaged 396,000 barrels per day in 1996 compared with 377,000 barrels per day in 1995.

The deepwater harbor and strategic location of the Virgin Islands refinery permit the unloading of VLCC's carrying crude oil and the loading of products that can be shipped worldwide.

[Photo of the Virgin Islands Refinery]

MARKETING Amerada Hess is introducing a new marketing concept in its HESS retail operations with the objective of becoming the leading independent retail gasoline marketer in its market areas. HESS retail sites will offer more services and products to consumers, including branded "fast food", a proprietary gourmet coffee and an enlarged beverage fountain program as a first stage. The program is designed to make these sites a primary consumer destination and maximize returns from this business. Three new stations incorporating this concept are expected to be opened in Florida in the second quarter of 1997, with others to follow later in the year. Many existing stations will be rebuilt and others will be modified to offer additional services and products.

Amerada Hess also is seeking to increase the number of HESS gasoline stations in areas in which it has a significant market presence or in which such a presence can be established. New stations will be built and others will be upgraded. The upgrading program includes modernized signage, improved lighting and state-of-the-art dispensers with the capability to permit consumers to pay at the pump. Marginal gasoline stations are being traded, sold or closed.

Amerada Hess is continuing its program of establishing relationships with branded retailers in order to increase the volume of gasoline marketed under the HESS brand name without requiring significant additional capital expenditures. At year-end 1996, Amerada Hess had existing agreements covering more than thirty HESS gasoline stations.

The Corporation has been entering into throughput agreements with other oil companies to provide storage at HESS terminals along the East Coast of the United States. The Corporation's goal is to become the leading independent terminal operator on the East Coast of the United States by providing the same high quality terminalling service to others as it traditionally has provided for its marketing operations.

Product sales averaged 495,000 barrels per day in 1996 compared with 487,000 barrels per day in 1995. The increase resulted from higher distillate sales during the winter of 1996, which was much colder than normal.

[Photo of a HESS retail outlet]

The number of HESS retail outlets is being increased and facilities are being upgraded to offer state-of-the-art services.

Photo of HESS STATION
New York

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Management's Discussion and Analysis of Results of Operations and Financial Condition

Consolidated Results of Operations

Net income for 1996 amounted to $660 million ($7.09 per share), compared with a net loss of $394 million ($4.24 per share) in 1995 and net income of $74 million ($.79 per share) in 1994.

The results by major operating activity for 1996, 1995 and 1994 are summarized below (in millions):

	1996	1995(*)	1994(*)
Exploration and production	$ 210	$ 129	$ 121
Refining, marketing and shipping	181	9	135
Corporate	(19)	(10)	(32)
Interest	(136)	(193)	(191)
Income (loss) excluding special items	236	(65)	33
Special items	424	(329)	41
Net income (loss)	$ 660	$(394)	$ 74

(*)Restated to conform with current period presentation.

Special Items

Special items in 1996, 1995 and 1994 are summarized below (in millions):

	Total	Exploration and Production	Refining, Marketing and Shipping	Corporate
1996				
Gain on asset sales	$ 421	$ 421	$ --	$ --
Litigation settlement	25	25	--	--
Asset write-downs	(22)	(22)	--	--
Total	$ 424	$ 424	$ --	$ --
1995				
FAS No. 121 asset impairment	$(416)	$ (69)	$(347)	$ --
Gain on asset sales	68	40	3	25
Tax refund	44	44	--	--
Insurance recovery	8	8	--	--
Hurricane Marilyn costs	(19)	--	(19)	--
Staff-reduction costs	(14)	--	--	(14)
Total	$(329)	$ 23	$(363)	$ 11
1994				
Gain on asset sales	$ 41	$ 41	$ --	$ --

The net gain on asset sales in 1996 of $421 million ($4.52 per share) reflects the sale of the Corporation's Canadian operations, certain United States and United Kingdom producing properties and Abu Dhabi assets. Proceeds from asset sales amounted to approximately $1 billion and enabled the Corporation to significantly reduce debt. The 1996 asset sales are more fully described in Note 2 to the financial statements. The other special items include income from the settlement of litigation on the right to drill certain South Atlantic leases acquired in 1981 and a charge principally to reduce the carrying values of certain United States undeveloped leases.

Special items in 1995 included an after-tax charge of $416 million ($4.47 per share) resulting from the adoption of Financial Accounting Standard (FAS) No. 121 on asset impairment. This non-cash charge to earnings related primarily to the Corporation's Port Reading refinery, United States flag vessels and certain domestic exploration and production properties. The 1995 results also included net gains from asset sales, principally United States pipeline and gathering assets and an interest in an undeveloped United Kingdom natural gas field.

Gains on asset sales, the litigation settlement and tax refund (including interest) are reflected in non-operating revenues in the income statement. Hurricane-related costs and staff-reduction costs are included in operating expenses and selling, general and administrative expenses, respectively.

The Corporation is reengineering its financial functions and installing new systems and software. Project costs in 1996 approximated $20 million, with comparable annual costs anticipated through mid-1998. These costs are included in selling, general and administrative expenses. The Corporation expects to benefit from this project beginning in 1998.

Comparison Of Results

Exploration and Production: Excluding special items, exploration and production earnings increased by $81 million in 1996, primarily due to higher average worldwide crude oil selling prices and increased United States natural gas prices. The increase in earnings in 1995 was $8 million, reflecting higher crude oil selling prices and volumes, offset by increased exploration expenses. The Corporation's average selling prices, including the effects of hedging, were as follows:

	1996	1995	1994
Crude oil and natural gas liquids (per barrel)			
United States	$16.49	$15.82	$15.43
Foreign	20.18	16.95	15.91
Natural gas (per Mcf)			
United States(*)	2.43	1.70	1.91
Foreign	1.93	1.60	1.75

(*)Includes sales of purchased gas.

The increase in the United States crude oil selling price indicated above does not fully reflect the increase in market prices in 1996, because hedge positions limited the effect of rising prices. Hedge positions in 1995 and 1994 had positive effects on the Corporation's selling prices. The increase in the average foreign natural gas price in 1996 reflects the change in the Corporation's sales mix, as lower value Canadian natural gas was eliminated by the sale of the Canadian operations in April. The selling price of natural gas in the United Kingdom was comparable in 1996 and 1995.

The Corporation's net daily worldwide production was as follows:

	1996	1995	1994
Crude oil and natural gas liquids (barrels per day)			
United States	50,125	63,006	67,602
Foreign	186,672	197,454	182,918
Total	236,797	260,460	250,520
Natural gas (Mcf per day)			
United States	337,653	401,581	427,103
Foreign	347,013	482,550	419,015
Total	684,666	884,131	846,118

United States crude oil and natural gas production was lower, principally reflecting asset sales in 1996 and natural decline in 1995. The reduction in foreign crude oil production in 1996 largely reflects the sales of the Canadian and Abu Dhabi operations. Production in the United Kingdom in 1996 was comparable to 1995, as new production substantially offset the decline in existing fields and sales of non-core fields. The overall increase in foreign crude oil production in 1995 was due to higher United Kingdom production, principally from the Fife Field. The 1996 decline in foreign natural gas production was due to the sale of operations in Canada.

Depreciation, depletion, amortization and lease impairment charges were lower in 1996 reflecting decreased production volumes (primarily due to asset sales), reduced asset carrying values and positive crude oil reserve revisions at the end of 1995. Depreciation and related charges in 1995 were also lower, principally due to lower production volumes in the United States. Exploration expenses were lower in 1996, primarily in the United Kingdom and Denmark. These areas were largely responsible for the increase in exploration expense in 1995. The effective income tax rate on exploration and production earnings continues to be higher than the United States statutory rate, due to special petroleum taxes on certain fields in the United Kingdom and in Norway.

The Corporation's major program of exploration and production asset sales is complete. Oil and gas production in the short-term will be lower than pre-sale levels, however, the effect on the Corporation's earnings is not expected to be significant. New United States and foreign crude oil and natural gas developments will add to production in the future. The Corporation's exploration and production earnings are very sensitive to the selling prices of crude oil and natural gas and there is no assurance that current market prices will continue.

Refining, Marketing and Shipping: The results of refining, marketing and shipping operations amounted to income of $181 million in 1996, compared with income (excluding special items) of $9 million in 1995 and $135 million in 1994. The increase in 1996 was due to improved margins, particularly for distillates and residual fuel oils. Average selling prices for all refined products increased by approximately $4.00 per barrel, although the cost of crude oil also increased. Since the Corporation accounts for its

inventories on the first-in, first-out and average cost methods, it tends to have higher earnings during periods of rising refined product prices and lower earnings during periods of falling prices. A substantial amount of the 1996 income was generated by a refining subsidiary, for which income taxes are not provided, due to available loss carryforwards. Refining and marketing industry conditions are extremely competitive and earnings will continue to be volatile.

The decrease in refining, marketing and shipping earnings in 1995 was primarily due to lower margins on distillates and residual fuel oils reflecting the relatively mild winter of 1994-1995, although gasoline margins improved somewhat during the year.

Total refined product sales volumes amounted to 181 million barrels in 1996, 178 million barrels in 1995 and 171 million barrels in 1994. The fluid catalytic cracking unit in the Virgin Islands operated at the rate of 100,000 barrels per day in 1996, in spite of being shutdown for scheduled maintenance for more than a month. The current operating rate is approximately 125,000 barrels per day.

The Corporation has indicated that it will consider joint venture alternatives that involve some or all of its refining and marketing operations.

Corporate: Excluding special items, net corporate expenses were $19 million in 1996, $10 million in 1995 and $32 million in 1994. The variance in each year is principally due to the impact of foreign source earnings on the provision for United States income taxes. Prior to 1996, corporate expenses were reduced by the operating earnings of crude oil gathering and pipeline operations that were sold at the end of 1995.

Interest: After-tax interest expense decreased by 30% in 1996, reflecting the use of the proceeds from asset sales and cash flow from operations to reduce debt. Assuming no increase in interest rates, interest expense is expected to be lower in 1997.

Consolidated Operating Revenues

Sales and other operating revenues amounted to $8,272 million in 1996, an increase of $970 million, or 13%, from 1995. The increase was primarily due to the higher selling prices of refined products, particularly distillates and residual fuel oils. Also contributing to the increase were higher average crude oil and natural gas selling prices and higher sales volumes of purchased natural gas. Sales and other operating revenues increased by 11% in 1995 compared with 1994, reflecting higher gasoline selling prices and sales volumes and increased foreign crude oil production and selling prices.

Liquidity And Capital Resources

Net cash provided by operating activities, including changes in operating assets and liabilities, amounted to $808 million in 1996 compared with $1,241 million in 1995 and $957 million in 1994. The decrease in 1996 was primarily due to changes in working capital items, particularly inventories. In 1996, the Corporation generated proceeds from asset sales of approximately $1 billion, principally from the sale of its Canadian operations and certain United States producing properties. The major program of asset sales, which contributed significantly to the Corporation's liquidity and ability to reduce debt in 1996, has been completed. The increase in cash provided by operating activities in 1995 was due to changes in working capital components.

Total debt was $1,939 million at December 31, 1996 compared with $2,718 million at December 31, 1995. The debt to total capitalization ratio decreased to 36.4% from 50.5% at year-end 1995. In 1996 and 1995, the Corporation sold forward crude oil production of $101 million and $151 million, respectively, which reduced debt at the end of each year. At December 31, 1996, floating rate debt amounted to 34% of total debt. The Corporation had borrowing capacity available under existing revolving credit agreements of $1,628 million and additional unused lines of credit under uncommitted arrangements with banks of $345 million. The existing borrowing arrangements, including restrictive covenants, are more fully described in Note 6 to the financial statements.

In August 1996, the Corporation announced a stock repurchase program of up to $250 million. As of year end, 154,700 shares had been purchased at a cost of approximately $9 million.

The Corporation uses futures, forwards, options and swaps to reduce the effects of fluctuations in the prices of crude oil, natural gas and refined products. These instruments are used to set the selling and purchase prices of crude oil, natural gas and refined products and the related gains or losses are an integral part of the Corporation's selling prices and costs. At December 31, 1996, the Corporation had open hedge positions equal to 8% of its estimated 1997 worldwide crude oil production. In certain circumstances, hedge counterparties may elect to purchase up to an additional 1% of 1997 production. The Corporation also had open contracts equal to 19% of its estimated 1997 United States natural gas production and approximately 2% of its production for the succeeding twelve months. The Corporation had hedges covering 12% of its refining and marketing inventories and had additional short positions, principally crack spreads, approximating 4% of refined products to be manufactured in the next twelve months. As market conditions change, the Corporation will adjust its hedging positions.

The Corporation also hedges a portion of its exposure to fluctuating foreign exchange rates, principally the Pound Sterling. Generally, these exchange rates are fixed by selling currency forward to correspond with crude oil sales commitments. See Note 12 to the financial statements for additional information on the Corporation's hedging activities.

The Corporation conducts foreign exploration and production activities, principally in the United Kingdom, Norway, Denmark, Gabon, Indonesia and Thailand, and intends to increase its exploration activities in other international areas. Therefore, the Corporation is subject to business risks associated with foreign operations. Such exposures include the effect of currency risks on the financial statements. However, the effect of foreign currency translation on the Corporation's earnings and stockholders' equity has not been material and has not affected the Corporation's liquidity or ability to raise capital.

Capital Expenditures

The following table summarizes the Corporation's capital expenditures in 1996, 1995 and 1994 (in millions):

	1996	1995	1994
Exploration and production			
Exploration	$236	$245	$196
Development	512	377	333
Oil and gas reserve acquisitions	40	4	3
	788	626	532
Refining, marketing and other	73	66	64
Total	$861	$692	$596

The increase in development costs in 1996 was due primarily to oil and gas projects in the North Sea, including expenditures on the producing fields Scott and Valhall and the new developments Durward/Dauntless and Schiehallion. The purchase of oil and gas reserves in 1996 reflects the acquisition of an interest in the Jabung Production Sharing Contract in Indonesia. This acquisition includes proved reserves, which are in the process of being developed, and exploration prospects. Excluding possible reserve acquisitions, capital expenditures in 1997 are expected to be approximately $1 billion and will be financed principally by internally generated funds.

Environment, Health And Safety

The Corporation's awareness of its environmental responsibilities and environmental regulations at the federal, state and local levels have led to programs requiring higher operating costs and capital investments by the Corporation. The Corporation believes that it has made the necessary expenditures to comply with current laws and that it is well positioned to meet currently proposed regulations.

The Corporation continues to focus on energy conservation, pollution control and waste minimization and treatment. There are also programs for compliance evaluation, facility auditing and employee training to monitor operational activities and to prevent conditions that might threaten the environment.

The Corporation produces gasolines that meet the current requirements for oxygenated and reformulated gasolines of the Clean Air Act of 1990. Reformulated gasolines decrease emissions of volatile and toxic organic compounds. The Corporation's production of reformulated gasolines from the Virgin Islands and Port Reading facilities exceeds the total requirements of its gasoline stations. Furthermore, the Corporation can meet the more restrictive requirements for reformulated gasolines that take effect in 1998. The Corporation's Virgin Islands refinery can also produce gasolines that comply with the requirements for reformulated gasolines that begin in 2000. This refinery has desulfurization capabilities enabling it to produce low-sulfur diesel fuel that meets the requirements of the Clean Air Act. The Corporation can also produce gasolines that meet the requirements of the California Air Resources Board.

The Corporation expects continuing expenditures for environmental assessment and remediation. Sites where corrective action may be necessary include gasoline stations, terminals, refineries (including solid waste management units under permits issued pursuant to the Resource Conservation and Recovery Act) and, although not significant, Superfund sites where the Corporation has been named a potentially responsible party under the Superfund legislation. The Corporation expects that existing reserves for environmental liabilities will adequately cover costs of assessing and remediating known environmental sites.

The Corporation expended $13 million in 1996, $15 million in 1995 and $16 million in 1994 for remediation, mostly in its refining and marketing activity. In addition, capital expenditures for facilities, primarily to comply with federal, state and local environmental standards, were $7 million in 1996, $15 million in 1995 and $8 million in 1994.

Dividends

Cash dividends on common stock totaled $.60 per share ($.15 per quarter) during 1996 and 1995.

Stock Market Information

The common stock of Amerada Hess Corporation is traded principally on the New York Stock Exchange (ticker symbol: AHC). High and low sales prices in 1996 and 1995 were as follows:

	1996		1995	
Quarter Ended	High	Low	High	Low
March 31	55-3/4	50-3/4	50-1/2	43-3/4
June 30	59-7/8	52-1/8	53-1/8	47-1/2
September 30	54-5/8	47-1/2	51-3/4	45-3/4
December 31	60-1/2	52-1/2	53-5/8	43-1/4

QUARTERLY FINANCIAL DATA

Quarterly results of operations for the years ended December 31, 1996 and 1995 follow (millions of dollars, except per share data):

Quarter	Sales and other operating revenues	Gross profit(a)	Income (loss) excluding special items	Special items	Net income (loss)	Net income (loss) per share
1996						
First	$2,215	$ 368	$ 66	$ --	$ 66	$ .71
Second	2,095	314	26	350 (b)	376	4.04
Third	1,746	295	27	71 (b)	98	1.05
Fourth	2,216	443	117	3 (c)	120	1.29
Total	$8,272	$1,420	$ 236	$ 424	$ 660	$ 7.09
1995						
First	$1,892	$ 310	$ (19)	$ 44 (d)	$ 25	$ .27
Second	1,773	294	(40)	--	(40)	(.43)
Third	1,642	223	(79)	(25)(e)	(104)	(1.13)
Fourth	1,995	362	73	(348)(f)	(275)	(2.95)
Total	$7,302	$1,189	$ (65)	$(329)	$(394)	$(4.24)

(a) Gross profit represents sales and other operating revenues less cost of products sold and operating expenses and depreciation, depletion, amortization and lease impairment.

(b) Represents net gains on asset sales.

(c) Includes income of $25 million from the settlement of litigation on the right to drill certain South Atlantic leases and a charge of $22 million principally to reduce the carrying values of certain undeveloped leases.

(d) Reflects the refund of windfall profits taxes and related interest.

(e) Includes net charges of $14 million and $19 million for costs associated with staff reductions and Hurricane Marilyn, respectively. Also includes income of $8 million from an insurance recovery.

(f) Reflects an after-tax charge for asset impairment of $416 million resulting from the adoption of FAS No. 121 and a net gain on asset sales of $68 million.

The results of operations for the periods reported herein should not be considered as indicative of future operating results.

CONSOLIDATED BALANCE SHEET
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

Thousands of dollars	At December 31 1996	1995
ASSETS		
Current Assets		
Cash and cash equivalents	$ 112,522	$ 56,071
Accounts receivable		
Trade	812,175	760,947
Other	35,954	37,384
Inventories	1,272,312	838,770
Other current assets	193,881	269,372
Total current assets	2,426,844	1,962,544
Investments And Advances	218,573	185,522
Property, Plant And Equipment		
Exploration and production	8,233,445	9,392,184
Refining	2,650,486	2,619,721
Marketing	883,555	882,610
Shipping	134,933	169,697
Total--at cost	11,902,419	13,064,212
Less reserves for depreciation, depletion, amortization and lease impairment	6,995,136	7,694,496
Property, plant and equipment--net	4,907,283	5,369,716
Deferred Income Taxes And Other Assets	231,781	238,588
Total Assets	$ 7,784,481	$ 7,756,370

	At December 31	
	1996	1995
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable--trade	$ 666,172	$ 518,770
Accrued liabilities	501,369	500,629
Deferred revenue	103,031	151,416
Taxes payable	258,723	239,080
Notes payable	18,000	90,000
Current maturities of long-term debt	189,685	104,685
Total current liabilities	1,736,980	1,604,580
Long-term debt	1,660,998	2,523,181
Capitalized lease obligations	50,818	64,202
Deferred liabilities and credits		
Deferred income taxes	616,900	602,792
Other	335,154	301,219
Total deferred liabilities and credits	952,054	904,011
Stockholders' Equity		
Preferred stock, par value $1.00		
Authorized--20,000,000 shares for issuance in series	--	--
Common stock, par value $1.00		
Authorized--200,000,000 shares		
Issued--93,073,305 shares in 1996; 93,011,255 shares in 1995	93,073	93,011
Capital in excess of par value	754,559	744,252
Retained earnings	2,613,920	2,017,064
Equity adjustment from foreign currency translation	(77,921)	(193,931)
Total stockholders' equity	3,383,631	2,660,396
Total Liabilities And Stockholders' Equity	$ 7,784,481	$ 7,756,370

The consolidated financial statements reflect the successful efforts method of accounting for oil and gas exploration and producing activities.

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED INCOME
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

Thousands of dollars, except per share data	For the Years Ended December 31 1996	1995	1994
REVENUES			
Sales (excluding excise taxes) and other operating revenues	$8,272,186	$ 7,302,307	$6,601,984
Non-operating revenues			
Asset sales	529,271	96,010	41,657
Other	128,254	126,472	55,152
Total revenues	8,929,711	7,524,789	6,698,793
Costs and Expenses			
Cost of products sold and operating expenses	6,069,295	5,220,657	4,449,819
Exploration expenses, including dry holes	279,335	297,817	249,433
Selling, general and administrative expenses	618,429	634,271	590,647
Interest expense	165,501	247,465	245,149
Depreciation, depletion, amortization and lease impairment	783,207	893,067	927,933
Asset impairment	--	584,161	--
Provision for income taxes	353,845	41,764	162,098
Total costs and expenses	8,269,612	7,919,202	6,625,079
Net Income (Loss)	$ 660,099	$ (394,413)	$ 73,714
Net Income (Loss) Per Share	$ 7.09	$ (4.24)	$ .79

STATEMENT OF CONSOLIDATED RETAINED EARNINGS

Thousands of dollars, except per share data	For the Years Ended December 31 1996	1995	1994
Balance at Beginning of Year	$ 2,017,064	$ 2,467,267	$ 2,449,325
Net income (loss)	660,099	(394,413)	73,714
Dividends declared--common stock ($.60 per share in 1996, 1995 and 1994)	(55,761)	(55,790)	(55,772)
Common stock acquired and retired	(7,482)	--	--
Balance at End of Year	$ 2,613,920	$ 2,017,064	$ 2,467,267

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED CASH FLOWS
Amerada Hess Corporation and Consolidated Subsidiaries

Thousands of dollars	1996	1995	1994
	For the Years Ended December 31		
Cash Flows From Operating Activities			
Net income (loss)	$ 660,099	$ (394,413)	$ 73,714
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation, depletion, amortization and lease impairment	783,207	893,067	927,933
Asset impairment	--	584,161	--
Exploratory dry hole costs	164,601	178,883	152,971
Pre-tax gain on asset sales	(529,271)	(96,010)	(41,657)
Increase in accounts receivable	(66,452)	(226,790)	(15,927)
(Increase) decrease in inventories	(434,206)	106,357	(90,258)
Increase (decrease) in accounts payable, accrued liabilities and deferred revenue	110,736	328,457	(191,282)
Increase in taxes payable	32,623	67,229	62,437
Changes in deferred income taxes and other	86,384	(199,934)	79,087
Net cash provided by operating activities	807,721	1,241,007	957,018
Cash Flows From Investing Activities			
Capital expenditures			
Exploration and production	(788,286)	(626,518)	(532,189)
Refining, marketing and other	(72,339)	(65,593)	(64,095)
Total capital expenditures	(860,625)	(692,111)	(596,284)
Proceeds from asset sales and other	1,037,073	177,344	72,804
Investment in affiliate	--	(31,552)	--
Net cash provided by (used in) investing activities	176,448	(546,319)	(523,480)
Cash Flows from Financing Activities			
Issuance (repayment) of notes	(72,046)	26,247	(54,153)
Long-term borrowings	--	25,000	289,843
Repayment of long-term debt and capitalized lease obligations	(794,527)	(689,355)	(642,112)
Cash dividends paid	(55,746)	(55,788)	(55,711)
Common stock acquired	(8,236)	--	--
Net cash used in financing activities	(930,555)	(693,896)	(462,133)
Effect of Exchange Rate Changes on Cash	2,837	2,144	2,095
Net Increase (Decrease) in Cash and Cash Equivalents	56,451	2,936	(26,500)
Cash and Cash Equivalents at Beginning of Year	56,071	53,135	79,635
Cash and Cash Equivalents at End of Year	$ 112,522	$ 56,071	$ 53,135

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED CHANGES IN
COMMON STOCK AND CAPITAL IN EXCESS OF PAR VALUE
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

	Common stock		
Thousands of dollars	Number of shares	Amount	Capital in excess of par value
Balance at January 1, 1994	92,586,855	$ 92,587	$ 725,443
Distribution to trustee under executive incentive compensation and stock ownership plan (net)	408,900	409	18,094
Balance at December 31, 1994	92,995,755	92,996	743,537
Distribution to trustee under executive incentive compensation and stock ownership plan (net)	15,500	15	715
Balance at December 31, 1995	93,011,255	93,011	744,252
Distribution to trustee under executive incentive compensation and stock ownership plans (net)	211,750	212	11,300
Common stock acquired and retired	(154,700)	(155)	(1,247)
Employee stock options exercised	5,000	5	254
Balance at December 31, 1996	93,073,305	$ 93,073	$ 754,559

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

1. Summary of Significant Accounting Policies

Nature of Business: Amerada Hess Corporation and subsidiaries (the "Corporation") engage in the exploration for and the production, purchase, transportation and sale of crude oil and natural gas. These activities are conducted primarily in the United States, United Kingdom, Norway and Gabon. The Corporation also has oil and gas activities in Denmark, Indonesia, Thailand and other parts of the world. The Corporation also manufactures, purchases, transports and markets refined petroleum products. The Corporation's terminals and retail outlets are located principally on the East Coast of the United States.

In preparing financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the Consolidated Balance Sheet and revenues and expenses in the Statement of Consolidated Income. Actual results could differ from those estimates. Estimates made by management include: oil and gas reserves, inventory valuations, pension liabilities, environmental obligations, depreciation, depletion and amortization, dismantlement and income taxes.

Principles of Consolidation: The consolidated financial statements include the accounts of Amerada Hess Corporation and subsidiaries. The Corporation's interests in oil and gas exploration and production ventures are proportionately consolidated.

Investments in affiliated companies, owned 20% to 50% inclusive, are stated at cost of acquisition plus the Corporation's equity in undistributed net income since acquisition. The change in the equity in net income of these companies is included in non-operating revenues in the Statement of Consolidated Income.

Intercompany transactions and accounts are eliminated in consolidation.

Cash and Cash Equivalents: Cash equivalents consist of highly liquid investments, which are readily convertible into cash and have maturities of three months or less.

Inventories: Crude oil and refined product inventories are valued at the lower of cost or market value. Cost is determined on the first-in, first-out method for approximately 65% of the inventories and the average cost method for the remainder.

Inventories of materials and supplies are valued at or below cost.

Exploration and Development Costs: Oil and gas exploration and production activities are accounted for on the successful efforts method. Costs of acquiring undeveloped oil and gas leasehold acreage, including lease bonuses, brokers' fees and other related costs, are capitalized. Provisions for impairment of undeveloped oil and gas leases are based on periodic evaluations and other factors.

Annual lease rentals and exploration expenses, including geological and geophysical expenses and exploratory dry hole costs, are charged against income as incurred.

Costs of drilling and equipping productive wells, including development dry holes, and related production facilities are capitalized.

Depreciation, Depletion and Amortization: Depreciation, depletion and amortization of oil and gas production equipment, properties and wells are determined on the unit-of-production method based on estimated recoverable oil and gas reserves. Depreciation of refinery facilities is determined on the unit-of-production method based on estimated throughput volumes. Depreciation of all other plant and equipment is determined on the straight-line method based on estimated useful lives.

The estimated costs of dismantlement, restoration and abandonment, less estimated salvage values, of offshore oil and gas production platforms and certain other facilities are taken into account in determining depreciation.

Retirement of Property, Plant and Equipment: Costs of property, plant and equipment retired or otherwise disposed of, less accumulated reserves, are reflected in net income.

Maintenance and Repairs: The estimated costs of major maintenance, including turnarounds at refineries, are accrued. Other expenditures for maintenance and repairs are charged against income as incurred. Renewals and improvements are treated as additions to property, plant and equipment, and items replaced are treated as retirements.

Environmental Expenditures: The Corporation capitalizes environmental expenditures that increase the life or efficiency of property or that reduce or prevent environmental contamination. The Corporation accrues for environmental expenses resulting from existing conditions that relate to past operations when the costs are probable and reasonably estimable.

Employee Stock Options and Nonvested Common Stock Awards: The Corporation uses the intrinsic value method to account for employee stock options. Because the exercise prices of employee stock options equal or exceed the market price of the stock on the date of grant, the Corporation does not recognize compensation expense. The Corporation records compensation expense for nonvested common stock awards ratably over the vesting period.

Foreign Currency Translation: The local currency is the functional currency (primary currency in which business is conducted) for the Corporation's North Sea and Canadian operations. The Canadian operations were sold in April 1996. The U.S. dollar is the functional currency for other foreign operations. Adjustments resulting from translating foreign functional currency assets and liabilities into U.S. dollars are recorded in a separate component of stockholders' equity entitled "Equity adjustment from foreign currency translation." Gains or losses resulting from transactions in other than the functional currency are reflected in net income.

Hedging: The Corporation uses futures, forwards, options and swaps to hedge the effects of fluctuations in the prices of crude oil, natural gas and refined products, interest rates and the exchange rates of foreign currencies. These transactions meet the requirements for hedge accounting, including designation and correlation. The resulting gains or losses, measured by quoted market prices, termination values or other methods, are accounted for as part of the transactions being hedged, except that losses not expected to be recovered upon the completion of hedged transactions are expensed. On the balance sheet, deferred gains are included in deferred revenue and deferred losses in other current assets. Oil and gas trading activity is marked to market, with gains and losses recorded in income.

Income Taxes: Deferred income taxes are determined on the liability method. No provision is made for U.S. income taxes applicable to undistributed earnings of foreign subsidiaries that are indefinitely reinvested in foreign operations.

2. Asset Sales

In 1996, the Corporation sold exploration and production assets resulting in a net gain of $421,150,000 ($4.52 per share). These sales included the Corporation's Canadian operations, certain United States and United Kingdom producing properties and Abu Dhabi assets. At the time the Canadian operations were sold, average production amounted to approximately 11,000 barrels of crude oil and natural gas liquids per day and 190,000 Mcf of natural gas per day. United States production was reduced by approximately 12,500 barrels of crude oil and natural gas liquids per day and 85,000 Mcf of natural gas per day due to asset sales. The effect of lower production on the Corporation's future earnings is not expected to be significant.

In 1995, the Corporation sold a crude oil pipeline and gathering system in the southeastern United States, an interest in an undeveloped United Kingdom natural gas field and various other assets. The net gain from asset sales in 1995 was approximately $68,100,000 ($.73 per share). In 1994, the Corporation also sold an interest in a United Kingdom natural gas field for a net gain of $41,200,000 ($.44 per share).

3. 1995 Asset Impairment

As required by Statement of Financial Accounting Standards (FAS) No. 121, the Corporation recorded losses on long-lived assets where events or circumstances indicated that the assets were impaired. The impairment charge was the difference between the carrying value and the estimated fair value of the assets. The Corporation estimated fair values based on sales prices for comparable assets or discounted future cash flows.

The total impairment of long-lived assets and a long-term operating lease was $584,161,000 ($415,542,000 after income taxes). Of the after-tax amount, $346,396,000 related to refining, marketing and shipping operations, principally for a refining facility and ocean going vessels. The remainder related to oil and gas producing properties.

4. Inventories

Inventories at December 31 are as follows:

Thousands of dollars	1996	1995
Crude oil and other charge stocks	$ 441,071	$240,425
Refined and other finished products	734,141	492,613
	1,175,212	733,038
Materials and supplies	97,100	105,732
Total	$1,272,312	$838,770

5. Short-Term Notes Payable and Related Lines of Credit

Short-term notes payable to banks at December 31, 1996 amount to $18,000,000 compared to $90,000,000 at December 31, 1995. The weighted average interest rates on these borrowings were 7.5% and 6.4% at December 31, 1996 and 1995, respectively. At December 31, 1996, the Corporation has unused lines of credit under uncommitted arrangements with several banks aggregating approximately $345,000,000. No compensating balances or fees are required for such lines of credit.

6. Long-Term Debt

Long-term debt at December 31 consists of the following:

Thousands of dollars	1996	1995
6.1% Marine Terminal Revenue Bonds-- Series 1994--City of Valdez, Alaska, due 2024	$ 20,000	$ 20,000
Pollution Control Revenue Bonds with sinking fund requirements, weighted average rate 6.6%, due through 2022	52,574	52,557
Fixed rate notes, payable principally to insurance companies, weighted average rate 8.7%, due through 2014	1,202,100	1,285,491
Revolving Credit Agreement with banks, weighted average rate 5.6%, due 1999	396,609	760,928
Revolving Credit Agreement with banks, weighted average rate 6.4%, due through 2002	175,000	414,090
Revolving Credit Agreement of Canadian subsidiary*	--	90,000
Other loans, at 8.0%, due 2007	4,400	4,800
	1,850,683	2,627,866
Less amount included in current maturities	189,685	104,685
Total	$1,660,998	$2,523,181

*The Corporation's Canadian operations were sold in April 1996.

The aggregate long-term debt maturing during the next five years is as follows (in thousands): 1997--$189,685 (included in current liabilities); 1998--$84,686; 1999--$536,294; 2000--$400 and 2001--$45,400.

The Corporation's long-term debt agreements contain various restrictions and conditions, including the requirement to maintain a ratio of current assets to current liabilities of not less than 1 to 1. There are also limitations on total borrowings under the agreements. In addition, the cumulative amount of cash dividends and stock distributions (as defined), under the most restrictive covenant, may not exceed consolidated net income (as defined) subsequent to December 31, 1990, plus $600,000,000. At December 31, 1996, the ratio of current assets to current liabilities is 1.4 to 1 and the Corporation has additional allowable borrowing capacity for the construction or acquisition of assets of $1,628,000,000. Retained earnings free of restrictions at December 31, 1996 amount to $763,000,000.

At December 31, 1996, the Corporation has a Revolving Credit Agreement with banks aggregating $1,400,000,000 ($396,609,000 outstanding at December 31, 1996), which is due to be repaid in 1999. Borrowings bear interest based on various money market rates chosen by the Corporation. Commitment fees of .2% per annum are payable on the unused portion of the credit lines.

A wholly-owned subsidiary of the Corporation operating in the United Kingdom has a multi-currency Revolving Credit Agreement with banks aggregating $800,000,000 ($175,000,000 outstanding at December 31, 1996), which declines each year from 1999 through 2002. Borrowings bear interest at .425% above the London Interbank Offered Rate (LIBOR). Commitment fees of .188% per annum are payable on the unused portion of the credit lines.

The Corporation sold forward a portion of its crude oil production in 1996 and 1995 and used the proceeds to repay revolving credit debt. Accordingly, at December 31, 1996 and 1995, $101,028,000 and $151,073,000, respectively, is included in deferred revenue on the Consolidated Balance Sheet.

The total amount of interest paid, principally on short-term and long-term debt, in 1996, 1995 and 1994 was $176,033,000, $254,760,000 and $248,595,000, respectively.

7. Stockholders' Equity

In May 1996, the stockholders of the Corporation approved the 1995 Long-Term Incentive Plan (the "Plan"), which the Corporation's Board of Directors had approved in December 1995. The Plan authorizes the grant of 4,500,000 shares for various types of awards, including options, with a maximum of 1,000,000 shares authorized for nonvested common stock awards. Outstanding stock options generally vest one year from the date of grant; outstanding nonvested common stock generally vests three years from the date of grant. The Corporation also has an Executive Long-Term Incentive Compensation and Stock Ownership Plan, which expires in 1997.

The Corporation's stock option activity in 1996 consisted of the following:

Thousands, except per share data	Options	Weighted-average exercise price per share
Granted in 1995, approved in 1996	863	$56.39
Granted in 1996	629	62.22
Exercised	(5)	51.75
Forfeited	(66)	56.39
Outstanding at end of year	1,421	$58.99
Exercisable at end of year	792	$56.42
Weighted-average fair value of options granted		
Exercise price equals market price on grant date	$18.91	
Exercise price exceeds market price on grant date	$15.47	

Exercise prices for employee stock options at December 31, 1996 ranged from $49.00 to $64.75 per share. The weighted-average remaining contractual life of employee stock options is 9.4 years.

To comply with FAS No. 123, Accounting for Stock-Based Compensation, the Corporation used the Black-Scholes model to estimate the fair value of employee stock options for pro forma disclosure of net income and earnings per share as if the fair value method had been used. The Corporation used the following weighted-average assumptions in the Black-Scholes model: risk-free interest rate of 5.8%; dividend yield of 1.1%; expected stock price volatility of .213; and an expected life of seven years. In 1996, the Corporation's net income would have been reduced by approximately $7,700,000 and net income per share would have been reduced by $.08, if option expense were recorded using the fair value method.

Total compensation expense in 1996 for nonvested common stock was $5,915,000. Awards of nonvested common stock were as follows:

Thousands, except per share data	Shares of nonvested common stock awarded	Weighted-average price on date of grant
Granted in 1995, approved in 1996	203	$49.81
Granted in 1996	95	57.30

At December 31, 1996 the number of common shares reserved for issuance is as follows:

Future distributions under the following plans	
Executive Long-Term Incentive Compensation and Stock Ownership Plan	217,750
1995 Long-Term Incentive Plan	2,861,500
Stock options outstanding under the 1995 Long-Term Incentive Plan	1,421,000
Warrants*	1,046,532
Total	5,546,782

*Issued in connection with an insurance company financing, exercisable through June 27, 2001 at $64.98 per share.

8. Foreign Currency Translation

Foreign currency exchange transactions reflected in net income (after income tax effect) amounted to gains of $1,813,000 in 1996 and $1,475,000 in 1995 and a loss of $931,000 in 1994.

The equity adjustment from foreign currency translation, reflected as a component of stockholders' equity, changed by $116,010,000 in 1996 (including $33,541,000 from the sale of the Corporation's Canadian operations) and $10,240,000 in 1995. The cumulative translation adjustments at December 31 consist of:

Thousands of dollars	1996	1995
Working capital	$ 32,754	$ 42,281
Property, plant and equipment, net	(167,769)	(385,066)
Long-term debt	71,386	77,105
Deferred income taxes	(39,539)	16,530
Other items	25,247	55,219
Total	$ (77,921)	$(193,931)

9. Pension Plans

The Corporation has noncontributory, defined benefit pension plans covering substantially all employees, except those covered by union pension plans. Retirement benefits are based on credited service and final average compensation. The Corporation's policy is to fund pension costs accrued, except where funding limitations are imposed under income tax regulations.

Pension expense consisted of:

Thousands of dollars	1996	1995	1994
Cost of benefits earned	$ 17,915	$ 27,270	$ 24,119
Accrued interest on projected benefit obligation	29,961	26,149	24,080
Loss (return) on plan assets	(40,960)	(67,063)	9,326
Net amortization and deferral	8,558	39,707	(36,860)
Total	$ 15,474	$ 26,063	$ 20,665

Plan assets include fixed income and equity securities, including investments in commingled funds. A summary of the funded status of the Corporation's pension plans at December 31 follows:

Thousands of dollars	1996	1995
Market value of plan assets	$ 381,532	$ 343,782
Book reserves	47,517	53,347
Total assets and reserves	429,049	397,129
Actuarial present value of benefit obligation		
Vested	339,442	338,920
Non-vested	13,355	3,849
Total	352,797	342,769
Effects of projected future salary increases	67,001	61,813
Projected benefit obligation	419,798	404,582
Total assets and reserves in excess of (less than) projected benefit obligation	$ 9,251	$ (7,453)
Components of assets and reserves in excess of (less than) projected benefit obligation		
Unrecognized prior service costs	$ (11,601)	$ (5,569)
Unrecognized net experience gains (losses)	19,464	(6,200)
Unrecognized net transitional asset	1,388	4,316
Total	$ 9,251	$ (7,453)

The discount rate and assumed rate of future salary increases used in determining the actuarial present value of the projected benefit obligation were 7.5% and 5.5%, respectively, in 1996 and 7% and 5.5%, respectively, in 1995. The expected long-term rate of return on plan assets was 8.5% in 1996 and 1995.

The Corporation has a nonqualified supplemental pension plan covering certain employees, which provides for incremental pension payments from the Corporation's funds so that total pension payments equal amounts that would have been payable from the Corporation's principal pension plan if it were not for limitations imposed by income tax regulations. The projected benefit obligation related to this unfunded plan totaled $29,562,000 at December 31, 1996 and $21,330,000 at December 31, 1995. Pension expense for the plan was $3,970,000 in 1996, $3,706,000 in 1995 and $3,871,000 in 1994. At December 31, 1996, the Corporation has accrued $16,252,000 for this plan.

10. Provision for Income Taxes

The provision for income taxes consisted of:

Thousands of dollars	1996	1995	1994
United States Federal			
Current	$ 20,156	$ 4,411	$ (350)
Deferred	6,528	(190,512)	(39,948)(a)
State	4,904	2,796	1,666
	31,588	(183,305)	(38,632)
Foreign			
Current	285,302	190,609	131,107
Deferred	36,955	34,460	69,623
	322,257	225,069	200,730
Total	$ 353,845	$ 41,764	$ 162,098

(a) Includes benefit of operating loss of $43,121.

Income (loss) before income taxes consisted of the following:

Thousands of dollars	1996	1995	1994
United States	$ 55,678	$(656,190)	$(170,813)
Foreign*	958,266	303,541	406,625
Total	$1,013,944	$(352,649)	$ 235,812

*Foreign income includes the Corporation's Virgin Islands, shipping and other operations located outside of the United States.

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. A summary of the components of deferred tax liabilities and assets at December 31 follows:

Thousands of dollars	1996	1995
Deferred tax liabilities		
Fixed assets	$ 405,617	$ 388,994
Foreign petroleum taxes	316,942	239,218
Other	50,823	74,551
Total deferred tax liabilities	773,382	702,763
Deferred tax assets		
Accrued liabilities	152,323	169,250
Net operating and other loss carryforwards	396,872	400,839
Tax credit carryforwards	124,455	104,516
Other	18,390	17,636
Total deferred tax assets	692,040	692,241
Valuation allowance	(271,213)	(325,739)
Net deferred tax assets	420,827	366,502
Net deferred tax liabilities	$ 352,555	$ 336,261

The difference between the Corporation's effective income tax rate and the United States statutory rate is reconciled below:

	1996	1995	1994
United States statutory rate	35.0%	(35.0)%	35.0%
Effect of foreign operations, including foreign tax credits	(.6)	46.7	33.4
State income taxes, net of Federal income tax benefit	.3	.5	.5
Alternative minimum tax	--	--	(1.8)
Tax credits	(.1)	(.6)	--

Other	.3	.2	1.6
Total	34.9%	11.8%	68.7%

The Corporation has not recorded deferred income taxes applicable to undistributed earnings of foreign subsidiaries that are indefinitely reinvested in foreign operations. Undistributed earnings amounted to approximately $1.2 billion at December 31, 1996, excluding amounts which, if remitted, generally would not result in any additional U.S. income taxes because of available foreign tax credits. If the earnings of such foreign subsidiaries were not indefinitely reinvested, a deferred tax liability of approximately $200 million would have been required.

For income tax reporting at December 31, 1996, the Corporation has general business credit carryforwards of approximately $20 million, expiring in 1999 through 2001. In addition, the Corporation has alternative minimum tax credit carryforwards of approximately $90 million, which can be carried forward indefinitely. A refining subsidiary of the Corporation has a net operating loss carryforward of approximately $880 million, expiring through 2011, and a foreign exploration and production subsidiary has a $60 million loss carryforward.

Income taxes paid (net of refunds) in 1996, 1995 and 1994 amounted to $294,905,000, $101,066,000 and $66,569,000, respectively.

11. Net Income Per Share

Net income per share was computed on the weighted average number of shares of common stock and common stock equivalents outstanding during each year (93,110,496 shares in 1996, 93,001,601 shares in 1995 and 92,968,993 shares in 1994). Such weighted average number of shares reflects the exercise of outstanding stock options to the extent dilutive.

12. Financial Instruments and Hedging Activities

The Corporation uses futures, forwards, options and swaps, individually or in combinations, to reduce the effects of fluctuations in crude oil, natural gas and refined product prices. In addition, the Corporation has used interest rate conversion agreements to fix the interest rates on a portion of its long-term, floating-rate debt. Foreign currency contracts are used to protect the Corporation from fluctuations in exchange rates.

Commodity Hedging: At December 31, 1996, the Corporation's hedging activities included commodity and financial contracts maturing mostly through 1997, covering 17,200,000 barrels of crude oil and refined products (92,200,000 barrels in 1995) and 24,300,000 Mcf of natural gas (38,900,000 Mcf in 1995). Of the crude oil and refined product hedges, 6,900,000 barrels related to exploration and production activities (48,500,000 barrels in 1995), and the remainder related to refining and marketing operations.

The Corporation produced 87,000,000 barrels of crude oil and natural gas liquids and 251,000,000 Mcf of natural gas in 1996, and had approximately 44,000,000 barrels of crude oil and refined products in its refining and marketing inventories at December 31, 1996. Since the contracts described above are designated as hedges and correlate to price movements of crude oil, natural gas and refined products, any gains or losses resulting from market changes will be offset by losses or gains on the Corporation's hedged inventory or production. Net unrealized hedging losses were $11,600,000 at December 31, 1996 and $34,000,000 at December 31, 1995. Deferred gains or losses related to anticipated transactions are not material.

Financial Instruments: At December 31, 1996, the Corporation has no interest rate conversion agreements outstanding ($490,000,000 at December 31, 1995). The Corporation has $270,800,000 of notional value foreign currency forward and purchased option contracts maturing generally in 1997 ($430,000,000 at December 31, 1995) and $37,000,000 in letters of credit outstanding ($36,300,000 at December 31, 1995). Notional amounts do not quantify risk or represent assets or liabilities of the Corporation, but are used in the calculation of cash settlements under the contracts.

Fair Value Disclosure: The Corporation values financial instruments as required by FAS No. 107, Disclosures about Fair Values of Financial Instruments. The carrying amounts of cash and cash equivalents, short-term debt and long-term, variable-rate debt approximate fair value. The Corporation estimates the fair value of its long-term, fixed-rate debt generally using discounted cash flow analysis based on the Corporation's current borrowing rates for debt with similar maturities. Interest rate conversion agreements and foreign currency exchange contracts are valued based on current termination values or quoted market prices of comparable contracts. The Corporation's valuation of commodity contracts considers quoted market prices, time value, volatility of the underlying commodities and other factors.

The carrying amounts of the Corporation's financial instruments and commodity contracts, including those used in the Corporation's hedging activities, generally approximate their fair values at December 31, except as follows:

	1996		1995	
Millions of dollars, asset (liability)	Balance Sheet Amount	Fair Value	Balance Sheet Amount	Fair Value
Long-term, fixed-rate debt	$(1,279)	$(1,379)	$(1,363)	$(1,528)
Interest rate conversion agreements	--	--	--	(23)
Foreign currency exchange agreements and options	--	18	--	(2)

At times, the Corporation uses crude oil, natural gas and refined product futures, forwards, options and swaps for trading activities, which are not related to the hedging program discussed above. This activity and its results are not material.

The Corporation's financial instruments with off-balance-sheet risks are with major financial institutions and, along with cash and cash equivalents and accounts receivable, expose the Corporation to market and credit risks and may at times be concentrated with certain counterparties or groups of counterparties. The credit worthiness of counterparties is subject to continuing review, however, full performance is anticipated.

13. Leased Assets

The Corporation and certain of its subsidiaries lease floating production systems, tankers, gasoline stations, office space and other assets for varying periods. Leases that expire generally are expected to be renewed or replaced by other leases. At December 31, 1996, the Corporation had net capital lease assets of $85,516,000, representing natural gas production and transportation facilities in the United Kingdom, which are included in property, plant and equipment in the Consolidated Balance Sheet.

At December 31, 1996, future minimum rental payments applicable to capital and noncancelable operating leases (other than oil and gas leases) are as follows:

Thousands of dollars	Operating Leases	Capital Leases
1997	$ 165,415	$22,991
1998	117,450	24,516
1999	101,094	28,658
2000	98,102	--
2001	83,308	--
Remaining years	437,579	--
Total minimum lease payments	1,002,948	76,165
Less: Imputed interest	--	5,560
Income from subleases	16,615	--
Net minimum lease payments	$ 986,333	$70,605
Capitalized lease obligations--		
Current		$19,787
Long-term		50,818
Total		$70,605

Rental expense for all operating leases, other than rentals applicable to oil and gas leases, was as follows:

Thousands of dollars	1996	1995	1994
Total rental expense	$185,669	$179,255	$164,395
Less income from subleases	5,264	1,748	3,443
Net rental expense	$180,405	$177,507	$160,952

14. Information on Major Operating Activities

Financial data by major geographic area for each of the three years ended December 31, 1996 follow:

Millions of dollars	United States(a)	Europe	Other	Consol-idated(b)
1996				
Operating revenues				
Unaffiliated customers	$ 6,589	$1,568	$ 115	$ 8,272
Intergeographic transfers	--	--	104	
Operating profit(c)	123	451	77	651
Gain on asset sales	196	56	277	529
Identifiable assets	5,046	2,502	236	7,784
Net assets	2,054	1,038	292	3,384
1995				
Operating revenues				
Unaffiliated customers	$ 5,750	$1,320	$ 232	$ 7,302
Intergeographic transfers	--	71	96	
Operating profit (loss)(c)	(611)	286	124	(201)
Gain (loss) on asset sales	75	23	(2)	96
Identifiable assets	4,804	2,308	644	7,756
Net assets	1,236	869	555	2,660
1994				
Operating revenues				
Unaffiliated customers	$ 5,437	$ 907	$ 258	$ 6,602
Intergeographic transfers	--	247	77	

Operating profit(c)	66	261	112	439
Gain on asset sales	--	42	--	42
Identifiable assets	5,293	2,316	729	8,338
Net assets	1,804	796	500	3,100

(a) Includes U.S. Virgin Islands and shipping operations.

(b) After elimination of transactions between affiliates, which are valued at approximate market prices.

(c) Excludes asset sales.

14. Information on Major Operating Activities (Continued)

The following table presents financial data by major operating activity for each of the three years ended December 31, 1996 (with prior years restated to conform with current year presentation):

Millions of dollars	Exploration and Production	Refining, Marketing and Shipping	Corporate	Consolidated(a)
1996				
Operating revenues				
Total operating revenues	$ 3,166	$ 5,283	$ 2	
Less: Transfers between affiliates	177	1	1	
Operating revenues from unaffiliated customers	$ 2,989	$ 5,282	$ 1	$ 8,272
Operating profit (loss)(b)	$ 523	$ 174	$ (46)	$ 651
Gain on asset sales	529	--	--	529
Interest expense	--	--	(166)	(166)
(Provision) benefit for income taxes	(418)	7	57	(354)
Net income (loss)	$ 634	$ 181	$(155)	$ 660
Depreciation, depletion, amortization and lease impairment	$ 656	$ 125	$ 2	$ 783
Identifiable assets	3,600	3,802	382	7,784
Capital expenditures	788	68	5	861
1995				
Operating revenues				
Total operating revenues	$ 2,888	$ 4,528	$ 197	
Less: Transfers between affiliates	245	2	64	
Operating revenues from unaffiliated customers	$ 2,643	$ 4,526	$ 133	$ 7,302
Operating profit (loss)(b)	$ 351	$ (514)	$ (38)	$ (201)
Gain on asset sales	51	7	38	96
Interest expense	--	--	(247)	(247)
(Provision) benefit for income taxes	(250)	153	55	(42)
Net income (loss)	$ 152	$ (354)	$(192)	$ (394)
Depreciation, depletion, amortization and lease impairment	$ 724	$ 164	$ 5	$ 893
Asset impairment	106	478	--	584
Identifiable assets	3,920	3,476	360	7,756
Capital expenditures	626	63	3	692
1994				
Operating revenues				
Total operating revenues	$ 2,725	$ 4,181	$ 136	
Less: Transfers between affiliates	434	3	3	
Operating revenues from unaffiliated customers	$ 2,291	$ 4,178	$ 133	$ 6,602
Operating profit (loss)(b)	$ 334	$ 129	$ (24)	$ 439
Gain on asset sales	42	--	--	42
Interest expense	--	--	(245)	(245)
(Provision) benefit for income taxes	(214)	6	46	(162)
Net income (loss)	$ 162	$ 135	$(223)	$ 74
Depreciation, depletion, amortization and lease impairment	$ 751	$ 171	$ 6	$ 928
Identifiable assets	4,163	3,987	188	8,338
Capital expenditures	532	62	2	596

(a) After elimination of transactions between affiliates, which are valued at approximate market prices.

(b) Excludes asset sales.

REPORT OF MANAGEMENT
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

The consolidated financial statements of Amerada Hess Corporation and consolidated subsidiaries were prepared by and are the responsibility of management. These financial statements conform with generally accepted accounting principles and are, in part, based on estimates and judgements of management. Other information included in this Annual Report is consistent with that in the consolidated financial statements.

The Corporation maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that transactions are properly executed and recorded. Judgements are required to balance the relative costs and benefits of this system of internal controls.

The Corporation's consolidated financial statements have been audited by Ernst & Young LLP, independent auditors, who have been selected by the Audit Committee of the Board of Directors and approved by the stockholders. Ernst & Young LLP assesses the Corporation's system of internal controls and performs tests and procedures that they consider necessary to arrive at an opinion on the fairness of the consolidated financial statements.

The Audit Committee of the Board of Directors, which consists solely of nonemployee directors, meets periodically with the independent auditors, internal auditors and management to review and discuss the Corporation's financial information, the system of internal controls and the results of internal and external audits. Ernst & Young LLP and the Corporation's internal auditors have unrestricted access to the Audit Committee to discuss audit findings and other financial matters.

/s/ John B. Hess
- ----------------------------
John B. Hess
Chairman of the Board and
Chief Executive Officer

/s/ John Y. Schreyer
- ----------------------------
John Y. Schreyer
Executive Vice President and
Chief Financial Officer

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

The Board of Directors and Stockholders

Amerada Hess Corporation

We have audited the accompanying consolidated balance sheet of Amerada Hess Corporation and consolidated subsidiaries as of December 31, 1996 and 1995 and the related consolidated statements of income, retained earnings, changes in common stock and capital in excess of par value and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amerada Hess Corporation and consolidated subsidiaries at December 31, 1996 and 1995 and the consolidated results of their operations and their consolidated cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

As discussed in Note 3 to the consolidated financial statements, in 1995 the Corporation adopted Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

/s/ Ernst & Young LLP
- ----------------------
Ernst & Young LLP

New York, NY
February 14, 1997

SUPPLEMENTARY OIL AND GAS DATA
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

The supplementary oil and gas data that follows is presented in accordance with Statement of Financial Accounting Standards (FAS) No. 69, Disclosures about Oil and Gas Producing Activities, and includes (1) costs incurred, capitalized costs and results of operations relating to oil and gas producing activities, (2) net proved oil and gas reserves, and (3) a standardized measure of discounted future net cash flows relating to proved oil and gas reserves, including a reconciliation of changes therein.

During 1996, the Corporation sold its wholly-owned Canadian subsidiary, certain United States and United Kingdom producing properties and Abu Dhabi assets.

Costs Incurred In Oil and Gas Producing Activities

For the Years Ended December 31 (Millions of dollars)	Total	United States	Europe	Canada	Other Areas
1996					
Property acquisitions	$ 70	$ 32	$ 1	$--	$37
Exploration	321	124	160	15	22
Development	512	152	337	11	12
1995					
Property acquisitions	$ 48	$ 36	$ 2	$ 8	$ 2
Exploration	320	137	145	28	10
Development	377	107	242	18	10
1994					
Property acquisitions	$ 21	$ 14	$ --	$ 5	$ 2
Exploration	274	139	99	31	5
Development	333	120	170	31	12

Capitalized Costs Relating to Oil and Gas Producing Activities

At December 31 (Millions of dollars)	1996	1995
Unproved properties	$ 279	$ 407
Proved properties	1,437	1,763
Wells, equipment and related facilities	6,517	7,222
Total costs	8,233	9,392
Less: Reserves for depreciation, depletion, amortization and lease impairment	5,364	6,128
Net capitalized costs	$2,869	$3,264

The results of operations for oil and gas producing activities shown below exclude sales of purchased crude oil and natural gas, non-operating revenues (including gains on sales of oil and gas properties), interest expense and gains and losses resulting from foreign currency exchange transactions. Therefore, these results differ from the net income from exploration and production operations in Note 14 to the financial statements.

Results of Operations for Oil and Gas Producing Activities

For the Years Ended December 31 (Millions of dollars)	Total	United States	Europe	Canada	Other Areas
1996					
Sales and other operating revenues					
Unaffiliated customers	$2,061	$ 474	$1,500	$ 55	$ 32
Inter-company	184	102	--	4	78
Total revenues	2,245	576	1,500	59	110
Costs and expenses					
Production expenses, including related taxes	646	177	438	14	17
Exploration expenses, including dry holes	280	129	120	7	24
Other operating expenses	224	81	115	4	24
Depreciation, depletion, amortization and lease impairment	656	209	409	16	22
Provision for income taxes	262	(6)	272	9	(13)
Total costs and expenses	2,068	590	1,354	50	74
Results of operations	$ 177	$ (14)*	$ 146	$ 9	$ 36
1995					
Sales and other operating revenues					
Unaffiliated customers	$1,988	$ 540	$1,247	$148	$ 53
Inter-company	241	102	67	8	64
Total revenues	2,229	642	1,314	156	117
Costs and expenses					
Production expenses, including related taxes	633	214	350	46	23
Exploration expenses, including dry holes	298	113	151	24	10
Other operating expenses	223	67	126	13	17
Depreciation, depletion, amortization and lease impairment	724	229	415	48	32
Asset impairment	106	106	--	--	--
Provision for income taxes	197	(30)	207	13	7
Total costs and expenses	2,181	699	1,249	144	89
Results of operations	$ 48	$ (57)	$ 65	$ 12	$ 28
1994					
Sales and other operating revenues					
Unaffiliated customers	$1,714	$ 603	$ 879	$172	$ 60
Inter-company	385	98	237	2	48
Total revenues	2,099	701	1,116	174	108
Costs and expenses					
Production expenses, including related taxes	607	224	318	47	18
Exploration expenses, including dry holes	250	128	99	18	5
Other operating expenses	187	70	92	11	14
Depreciation, depletion, amortization and lease impairment	751	298	368	57	28
Provision for income taxes	200	(7)	167	22	18
Total costs and expenses	1,995	713	1,044	155	83
Results of operations	$ 104	$ (12)	$ 72	$ 19	$ 25

*Includes a net charge of $22 million, principally to reduce the carrying values of certain undeveloped leases.

The Corporation's net oil and gas reserves have been estimated by DeGolyer and MacNaughton, independent consultants. The reserves in the tabulation below include proved undeveloped crude oil and natural gas reserves that will require substantial future development expenditures. The estimates of the Corporation's proved reserves of crude oil and natural gas (after deducting royalties and operating interests owned by others) follow:

Oil and Gas Reserves

	Total	United States	Europe	Canada	Other Areas
Net Proved Developed and Undeveloped Reserves					
Crude Oil, Including Condensate and Natural Gas Liquids (Millions of barrels)					
At January 1, 1994	670	198	395	39	38
Revisions of previous estimates	49	13	35	(2)	3
Extensions, discoveries and other additions	12	8	2	2	--
Purchases of minerals in-place	8	4	--	--	4
Sales of minerals in-place	(3)	--	(3)	--	--
Production	(92)	(25)	(56)	(5)	(6)
At December 31, 1994	644	198	373	34	39
Revisions of previous estimates	68	11	44	--	13
Extensions, discoveries and other additions	95	30	61	3	1
Sales of minerals in-place	(17)	(11)	(4)	(2)	--
Production	(95)	(23)	(62)	(4)	(6)
At December 31, 1995	695	205	412	31	47
Revisions of previous estimates	13	6	2	--	5
Improved recovery	6	6	--	--	--
Extensions, discoveries and other additions	45	5	40	--	--
Purchases of minerals in-place	4	--	--	--	4
Sales of minerals in-place	(98)	(33)	(8)	(30)	(27)
Production	(87)	(18)	(63)	(1)	(5)
At December 31, 1996	578	171	383	--	24
Natural Gas (Millions of Mcf)					
At January 1, 1994	2,653	949	1,104	600	--
Revisions of previous estimates	142	105	38	(1)	--
Extensions, discoveries and other additions	167	101	16	50	--
Purchases of minerals in-place	4	3	1	--	--
Sales of minerals in-place	(76)	--	(76)	--	--
Production	(309)	(156)	(85)	(68)	--
At December 31, 1994	2,581	1,002	998	581	--
Revisions of previous estimates	53	6	57	(10)	--
Extensions, discoveries and other additions	270	200	7	10	53
Sales of minerals in-place	(100)	(23)	(38)	(39)	--
Production	(323)	(147)	(97)	(79)	--
At December 31, 1995	2,481	1,038	927	463	53
Revisions of previous estimates	108	34	74	--	--
Improved recovery	3	3	--	--	--
Extensions, discoveries and other additions	84	50	34	--	--
Purchases of minerals in-place	39	4	--	--	35
Sales of minerals in-place	(598)	(158)	--	(440)	--
Production	(251)	(124)	(104)	(23)	--
At December 31, 1996	1,866	847*	931	--	88
Net Proved Developed Reserves					
Crude Oil, Including Condensate and Natural Gas Liquids (Millions of barrels)					
At January 1, 1994	514	169	271	38	36
At December 31, 1994	505	171	263	33	38
At December 31, 1995	540	157	310	31	42
At December 31, 1996	412	121	280	--	11
Natural Gas (Millions of Mcf)					
At January 1, 1994	2,260	794	887	579	--
At December 31, 1994	2,210	838	814	558	--
At December 31, 1995	2,036	755	823	458	--
At December 31, 1996	1,368	553	815	--	--

*Excludes 515 million Mcf of carbon dioxide gas for sale or use in company operations.

The standardized measure of discounted future net cash flows relating to proved oil and gas reserves required to be disclosed by FAS No. 69 is based on assumptions and judgements. As a result, the future net cash flow estimates are highly subjective and could be materially different if other assumptions were used. Therefore, caution should be exercised in the use of the data presented below.

Future net cash flows are calculated by applying year-end oil and gas selling prices (adjusted for price changes provided by contractual arrangements, including hedges) to estimated future production of proved oil and gas reserves, less estimated future development and production costs and future income tax expenses. Future net cash flows are discounted at the prescribed rate of 10%. No recognition is given in the discounted future net cash flow estimates to depreciation, depletion, amortization and lease impairment, exploration expenses, interest expense, general and administrative expenses and changes in future prices and costs. The selling prices of crude oil and natural gas are highly volatile.

Standardized Measure of Discounted Future Net Cash Flows
Relating to Proved Oil and Gas Reserves

At December 31 (Millions of dollars)	Total	United States	Europe	Canada	Other Areas
1996					
Future revenues	$18,479	$5,936	$11,630	$ --	$913
Less:					
Future development and production costs	6,551	1,906	4,382	--	263
Future income tax expenses	5,297	1,319	3,632	--	346
	11,848	3,225	8,014	--	609
Future net cash flows	6,631	2,711	3,616	--	304
Less: Discount at 10% annual rate	2,447	1,160	1,213	--	74
Standardized measure of discounted future net cash flows	$ 4,184	$1,551	$ 2,403	$ --	$230
1995					
Future revenues	$17,201	$5,343	$ 9,857	$1,093	$908
Less:					
Future development and production costs	7,352	2,289	4,273	539	251
Future income tax expenses	4,034	921	2,631	142	340
	11,386	3,210	6,904	681	591
Future net cash flows	5,815	2,133	2,953	412	317
Less: Discount at 10% annual rate	2,057	899	952	143	63
Standardized measure of discounted future net cash flows	$ 3,758	$1,234	$ 2,001	$ 269	$254
1994					
Future revenues	$14,545	$4,267	$ 8,236	$1,266	$776
Less:					
Future development and production costs	6,874	2,317	3,696	667	194
Future income tax expenses	2,789	465	1,910	152	262
	9,663	2,782	5,606	819	456
Future net cash flows	4,882	1,485	2,630	447	320
Less: Discount at 10% annual rate	1,622	577	787	168	90
Standardized measure of discounted future net cash flows	$ 3,260	$ 908	$ 1,843	$ 279	$230

Changes In Standardized Measure of Discounted Future Net
Cash Flows Relating to Proved Oil and Gas Reserves

For the years ended December 31 (Millions of dollars)	1996	1995	1994
Standardized measure of discounted future net cash flows at beginning of year	$ 3,758	$ 3,260	$ 3,039
Changes during the year			
Sales and transfers of oil and gas produced during year, net of production costs	(1,599)	(1,574)	(1,479)
Development costs incurred during year	512	377	333
Net changes in prices and production costs applicable to future production	2,577	1,195	604
Net change in estimated future development costs	(168)	(118)	(264)
Extensions and discoveries (including improved recovery) of oil and gas reserves, less related costs	315	451	135
Revisions of previous oil and gas reserve estimates	311	277	314
Sales of minerals in-place, net	(983)	(165)	(2)
Accretion of discount	600	498	437
Net change in income taxes	(814)	(758)	(380)
Revision in rate or timing of future production and other changes	(325)	315	523
Total	426	498	221
Standardized measure of discounted future net cash flows at end of year	$ 4,184	$ 3,758	$ 3,260

TEN-YEAR SUMMARY OF FINANCIAL DATA
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

Thousands of dollars, except per share data	1996	1995	1994
Statement of Consolidated Income			
Revenues			
Sales (excluding excise taxes) and other operating revenues			
Crude oil (including sales of purchased oil)	$1,528,692	$ 1,565,310	$1,228,045
Natural gas (including sales of purchased gas)	1,364,833	1,120,450	1,063,560
Petroleum products	5,080,790	4,311,082	3,980,563
Other operating revenues	297,871	305,465	329,816
Total	8,272,186	7,302,307	6,601,984
Non-operating revenues (including asset sales)	657,525(a)	222,482	96,809
Total revenues	8,929,711	7,524,789	6,698,793
Costs and expenses			
Cost of products sold and operating expenses	6,069,295	5,220,657	4,449,819
Exploration expenses, including dry holes	279,335	297,817	249,433
Selling, general and administrative expenses	618,429	634,271	590,647
Interest expense	165,501	247,465	245,149
Depreciation, depletion, amortization and lease impairment	783,207	893,067	927,933
Asset impairment	--	584,161(b)	--
Provision for income taxes	353,845	41,764	162,098
Total costs and expenses	8,269,612	7,919,202	6,625,079
Net income (loss)	$ 660,099	$ (394,413)	$ 73,714
Net income (loss) per share	$ 7.09	$ (4.24)	$ .79
Dividends per Share of Common Stock	$ .60	$ .60	$ .60
Weighted Average Number of Shares Outstanding (in thousands)	93,110	93,002	92,969

(a) Includes a pre-tax gain on asset sales of $529,271. The net gain, after applicable income taxes, was $421,150 ($4.52 per share).

(b) Reflects a charge for impairment of long-lived assets on adoption of FAS No. 121. The net effect, after income taxes, was $415,542 ($4.47 per share).

(c) Includes a benefit of $29,459 ($.32 per share) from the cumulative effect of the change in accounting for income taxes required by FAS No. 109.

See accompanying notes to consolidated financial statements.

1993	1992	1991	1990	1989	1988	1987
$ 1,219,750	$1,362,118	$1,448,793	$1,248,193	$ 904,233	$ 872,757	$ 886,504
1,020,563	787,996	574,004	458,615	315,578	288,915	284,610
3,348,900	3,428,702	3,897,748	4,587,646	4,107,770	2,864,342	3,347,242
290,308	279,541	346,300	653,051	261,373	179,997	195,209
5,879,521	5,858,357	6,266,845	6,947,505	5,588,954	4,206,011	4,713,565
21,153	95,352	149,496	133,593	90,373	57,533	71,024
5,900,674	5,953,709	6,416,341	7,081,098	5,679,327	4,263,544	4,784,589
4,287,139	4,039,180	4,409,832	4,708,925	3,837,800	2,964,534	3,521,552
258,826	228,998	301,183	276,200	164,925	182,205	106,440
596,919	581,542	582,549	512,805	422,491	380,169	328,118
156,615	147,099	177,850	224,200	187,811	145,439	144,147
824,651	833,405	828,765	743,467	545,934	441,414	431,482
--	--	--	--	--	--	--
44,727(c)	115,940	31,854	132,788	44,017	25,566	22,990
6,168,877	5,946,164	6,332,033	6,598,385	5,202,978	4,139,327	4,554,729
$ (268,203)	$ 7,545	$ 84,308	$ 482,713	$ 476,349	$ 124,217	$ 229,860
$ (2.90)	$ .09	$ 1.04	$ 5.96	$ 5.87	$ 1.51	$ 2.73
$ .60	$ .60	$ .60	$ .60	$ .60	$ .60	$ .45
92,595	87,317	81,088	81,023	81,147	82,031	84,136

TEN-YEAR SUMMARY OF FINANCIAL DATA
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

Thousands of dollars, except per share data	1996	1995	1994
Selected Balance Sheet Data at Year-End			
Cash and cash equivalents	$ 112,522	$ 56,071	$ 53,135
Working capital	689,864	357,964	520,247
Property, plant and equipment			
Exploration and production	$ 8,233,445	$ 9,392,184	$ 9,790,468
Refining, marketing and other	3,668,974	3,672,028	4,514,358
Total--at cost	11,902,419	13,064,212	14,304,826
Less reserves	6,995,136	7,694,496	7,938,824
Property, plant and equipment--net	$ 4,907,283	$ 5,369,716	$ 6,366,002
Total assets	$ 7,784,481	$ 7,756,370	$ 8,337,940
Total debt	1,939,288	2,717,866	3,339,788
Stockholders' equity	3,383,631	2,660,396	3,099,629
Stockholders' equity per share	$ 36.35	$ 28.60	$ 33.33
Summarized Statement Of Cash Flows			
Net cash provided by operating activities	$ 807,721	$ 1,241,007	$ 957,018
Cash flows from investing activities			
Capital expenditures			
Exploration and production	(788,286)	(626,518)	(532,189)
Refining, marketing and other	(72,339)	(65,593)	(64,095)
Total capital expenditures	(860,625)	(692,111)	(596,284)
Proceeds from sales of property, plant and equipment and other	1,037,073	145,792	72,804
Net cash provided by (used in) investing activities	176,448	(546,319)	(523,480)
Cash flows from financing activities			
Issuance (repayment) of notes	(72,046)	26,247	(54,153)
Long-term borrowings	--	25,000	289,843
Repayment of long-term debt and capitalized lease obligations	(794,527)	(689,355)	(642,112)
Issuance of common stock	--	--	--
Cash dividends paid	(55,746)	(55,788)	(55,711)
Common and preferred stock retired	(8,236)	--	--
Net cash provided by (used in) financing activities	(930,555)	(693,896)	(462,133)
Effect of exchange rate changes on cash	2,837	2,144	2,095
Net increase (decrease) in cash and cash equivalents	$ 56,451	$ 2,936	$ (26,500)
Stockholder Data at Year-End			
Number of common shares outstanding (in thousands)	93,073	93,011	92,996
Number of stockholders (based on number of holders of record)	10,153	11,294	11,506
Market price of common stock	$ 57.88	$ 53.00	$ 45.63

1993	1992	1991	1990	1989	1988	1987
$ 79,635	$ 141,014	$ 120,170	$ 129,914	$ 120,300	$ 213,184	$ 226,513
245,026	551,459	625,370	603,244	493,168	285,074	161,764
$ 9,360,871	$ 9,203,951	$ 9,306,435	$ 8,340,951	$ 6,531,956	$ 5,488,339	$ 5,138,183
4,426,369	3,886,814	3,223,397	2,817,032	2,635,300	2,550,122	2,475,418
13,787,240	13,090,765	12,529,832	11,157,983	9,167,256	8,038,461	7,613,601
7,052,328	6,646,801	6,339,232	5,594,399	4,688,142	4,358,765	4,064,227
$ 6,734,912	$ 6,443,964	$ 6,190,600	$ 5,563,584	$ 4,479,114	$ 3,679,696	$ 3,549,374
$ 8,641,546	$ 8,721,756	$ 8,841,435	$ 9,056,636	$ 6,867,411	$ 5,371,979	$ 5,304,808
3,687,922	3,186,199	3,266,195	2,925,285	2,697,184	1,672,329	1,631,345
3,028,911	3,387,599	3,131,982	3,106,029	2,560,628	2,215,154	2,158,544
$ 32.71	$ 36.59	$ 38.63	$ 38.34	$ 31.69	$ 27.02	$ 26.30
$ 819,423	$ 1,137,707	$ 1,364,268	$ 1,326,444	$ 805,848	$ 747,393	$ 452,158
(755,419)	(916,536)	(1,295,039)	(1,267,506)	(1,730,072)	(652,859)	(304,938)
(592,622)	(641,258)	(417,276)	(193,921)	(98,597)	(77,070)	(43,205)
(1,348,041)	(1,557,794)	(1,712,315)	(1,461,427)	(1,828,669)	(729,929)	(348,143)
12,436	25,423	37,788	(12,012)	6,644	16,401	4,845
(1,335,605)	(1,532,371)	(1,674,527)	(1,473,439)	(1,822,025)	(713,528)	(343,298)
117,791	(159,756)	(183,351)	46,744	13,823	(205,414)	398,889
547,704	675,016	786,280	461,413	1,203,994	416,161	63,000
(167,769)	(524,384)	(269,414)	(287,531)	(194,870)	(191,159)	(372,115)
--	497,360	--	--	--	--	--
(41,603)	(64,194)	(36,468)	(60,681)	(48,785)	(49,248)	(25,857)
--	--	--	(6,213)	(43,632)	(7,420)	(62,138)
456,123	424,042	297,047	153,732	930,530	(37,080)	1,779
(1,320)	(8,534)	3,468	2,877	(7,237)	(10,114)	23,193
$ (61,379)	$ 20,844	$ (9,744)	$ 9,614	$ (92,884)	$ (13,329)	$ 133,832
92,587	92,584	81,068	81,019	80,804	81,979	82,089
12,000	13,088	13,732	14,669	16,638	18,031	19,343
$ 45.13	$ 46.00	$ 47.50	$ 46.38	$ 48.75	$ 31.50	$ 24.88

TEN-YEAR SUMMARY OF OPERATING DATA
AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

	1996	1995	1994
Production Per Day (Net)(*)			
Crude oil (barrels)			
United States	41,020	52,284	55,638
United Kingdom	134,726	135,429	122,043
Norway	27,603	25,576	24,279
Africa	9,725	9,512	8,857
Canada	3,145	9,749	10,581
Abu Dhabi	2,784	7,227	7,273
Total	219,003	239,777	228,671
Natural gas liquids (barrels)			
United States	9,105	10,722	11,964
United Kingdom	6,628	6,900	6,756
Norway	1,585	1,414	1,320
Canada	476	1,647	1,809
Total	17,794	20,683	21,849
Natural gas (Mcf)			
United States	337,653	401,581	427,103
United Kingdom	253,983	239,307	208,742
Norway	30,445	27,743	24,417
Canada	62,585	215,500	185,856
Total	684,666	884,131	846,118
Well Completions (Net)			
Oil wells	39	33	28
Gas wells	25	41	44
Dry holes	40	50	24
Productive Wells at Year-End (Net)			
Oil wells	854	2,154	2,160
Gas wells	455	1,160	1,146
Total	1,309	3,314	3,306
Undeveloped Net Acreage (Held at End of Year)			
United States	891,000	1,440,000	1,685,000
Canada	--	799,000	743,000
Other international	7,455,000	5,072,000	3,827,000
Total	8,346,000	7,311,000	6,255,000
Shipping			
Vessels owned or under charter at year-end	13	16	17
Total deadweight tons	1,236,000	2,010,000	2,265,000
Refining (Barrels Daily)			
Refinery crude runs	396,000	377,000	388,000
Petroleum Products Sold (Barrels Daily)			
Gasoline, distillates and other light products	412,000	401,000	375,000
Residual fuel oils	83,000	86,000	93,000
Total	495,000	487,000	468,000
Storage Capacity at Year-End (Barrels)	86,986,000	89,165,000	94,597,000
Number of Employees (Average)	9,085	9,574	9,858

(*)In 1996, the Corporation sold its Canadian and Abu Dhabi operations and certain United States and United Kingdom producing properties.

1993	1992	1991	1990	1989	1988	1987
60,173	62,517	66,063	62,434	60,992	60,782	62,635
80,019	86,265	59,979	56,027	38,707	32,223	27,709
26,388	29,598	28,619	24,351	24,135	21,782	20,937
8,301	6,910	8,952	--	--	--	--
11,536	11,528	11,966	9,494	9,178	9,251	8,592
10,004	11,150	9,866	8,475	7,230	9,374	6,903
196,421	207,968	185,445	160,781	140,242	133,412	126,776
11,798	11,063	10,047	9,436	9,986	7,183	5,913
3,783	1,468	766	805	466	295	402
1,432	1,707	1,752	2,004	2,016	1,884	1,847
1,956	1,981	1,997	1,704	1,732	1,529	1,306
18,969	16,219	14,562	13,949	14,200	10,891	9,468
502,459	601,824	583,740	457,042	335,112	283,114	282,906
188,024	153,599	128,014	145,921	126,643	141,139	180,594
28,987	31,858	26,947	25,656	24,371	20,389	18,771
167,839	137,680	104,151	76,768	72,855	61,653	49,229
887,309	924,961	842,852	705,387	558,981	506,295	531,500
48	33	45	17	19	39	35
49	20	41	33	19	8	13
37	22	36	38	31	35	28
2,189	2,082	2,103	2,111	2,048	2,014	2,058
1,115	966	927	905	714	612	620
3,304	3,048	3,030	3,016	2,762	2,626	2,678
1,854,000	1,819,000	1,802,000	1,716,000	1,589,000	1,556,000	1,566,000
788,000	840,000	842,000	835,000	582,000	786,000	787,000
3,522,000	2,328,000	2,638,000	2,494,000	2,501,000	3,936,000	3,875,000
6,164,000	4,987,000	5,282,000	5,045,000	4,672,000	6,278,000	6,228,000
15	21	21	23	22	21	21
2,398,000	3,223,000	2,825,000	3,012,000	3,081,000	2,719,000	2,903,000
351,000	335,000	320,000	383,000	397,000	296,000	371,000
291,000	275,000	285,000	296,000	299,000	222,000	257,000
95,000	102,000	128,000	132,000	171,000	157,000	154,000
386,000	377,000	413,000	428,000	470,000	379,000	411,000
94,380,000	95,199,000	94,879,000	93,867,000	91,794,000	90,798,000	88,047,000
10,173	10,263	10,317	9,645	8,740	8,151	7,890

EXHIBIT 21

AMERADA HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	Organized under the laws of
A. H. Shipping Guaranty Corporation	Delaware
Amerada Hess Canada Ltd. (*)	Canada
Amerada Hess Limited	United Kingdom
Amerada Hess Norge A/S	Norway
Amerada Hess Oil Corporation of Abu Dhabi (**)	Delaware
Amerada Hess (Port Reading) Corporation	Delaware
Amerada Hess Production Gabon	Gabon
Amerada Hess Shipping Corporation	Liberia
Hess Oil Virgin Islands Corp.	U.S. Virgin Islands
Jamestown Insurance Company Limited	Bermuda
Tioga Gas Plant, Inc.	Delaware
Tug New York Company	Delaware

(*) Sold subsidiary in 1996.

(**) Principal assets sold in 1996.

Other subsidiaries (names omitted because such unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary)

Each of the foregoing subsidiaries conducts business under the name listed, and is 100% owned by the Registrant, except for Amerada Hess Production Gabon, which is 55% owned by the Registrant.

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